FINANCIAL TIMES

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WORLD NEWS

Snow cuts off West Country

The West Country was at a virtual standstill yesterday with towns and villages cut off by heavy overnight snow.

Abandoned cars littered the roads of Cornwall, Devon, Somerset and Dorset, made impassable by hedge-high drifts. At least seven people died in weather-related tragedies.

Smog enveloped West Germany's industrial heartland in the Ruhr forcing curbs on power stations and a ban on all private vehicles. Smog alerts also went out in Belgium and the Netherlands. Back Page and Page 2

Army murder theory

A lone soldier or a civilian masquerading in Army uniform is believed to have murdered three men an in Army payroll robbery in Scotland.

Gas hazard study

India has set up a study of the way developed countries deal with hazardous chemicals following the lethal gas leak in Bhopal last month where more than 2,000 people died.

'Star Wars' doubt

President Ronald Reagan said he doubted his "Star Wars" missile defence plan would block an arms agreement with Moscow or that it would cause a walk-away from the table. The White House announced he planned a European tour in May.

Peace commemoration

Prime Minister Mrs Margaret Thatcher and West German Chancellor Helmut Kohl said yesterday in Bonn each would commemorate the end of the Second World War as the beginning of 40 years of peace with freedom. Page 2

Acid rain veto

Swedish scientists have rejected a SKr 1m (£98,000) British grant to study the effect of acid rain because they say British industry pollutes Scandinavian forests and lakes.

Indian spy charges

Seven Indian government officials, including some working in Prime Minister Rajiv Gandhi's office, were arrested on suspicion of spying.

Bombs blast Beirut

Heavy shelling, rocket fire and a car bomb rocked Beirut killing two people and injuring more than 20.

U.S. hijack foiled

A would-be hijacker's attempt to commandeer a U.S. airliner to Cuba was foiled when the aircraft landed in Orlando, Florida, and the crew convinced him he was in Havana.

England Test win

England beat India by nine wickets in the fourth cricket Test in Madras yesterday, giving them a 2-1 lead for the final Test in Kanpur at the end of the month.

Briefly ...

TV's Steptoe, actor Wilfrid Brambell, died aged 72.

Carthage and Rome are to sign a peace treaty—2,131 years after Roman legionaires invaded.

Helmut Hoeflehner of Austria won the World Downhill Ski Championship in Wengen.

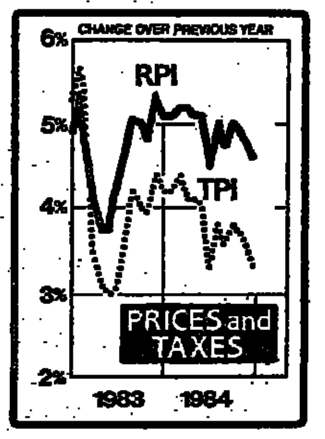
BUSINESS SUMMARY

Gestetner gives vote to shareholders

GESTETNER family, which has run the copier company since its foundation, is to relinquish outright control. The vast majority of shareholders who have no vote are to be enfranchised, ending years of criticism about the restrictive voting structure.

The family's stake will fall from over 50 per cent to 33 per cent of the voting equity. The non-voting "A" shares rose 28p to 105p on announcement of the changes, coupled with increased profits. Back Page; Results, Page 18

ANNUAL INFLATION rate fell to 4.6 per cent last month, from 4.9 per cent in November, reflecting lower mortgage costs and cheaper seasonal foods. The



tax and price index, measuring the effect of price rises on post-tax incomes, rose 3.3 per cent in the year to December. Back Page

PLEASURAMA, owner of Maxim's in London and 17 provincial casinos, launched a £119m agreed bid for Trident Television, which operates four London Casinos. Back Page; Details, Page 18

U.S. personal income rose 0.5 per cent in December after a 1 per cent rise in November, giving an increase of nearly 10 per cent in 1984, the Commerce Department said. Page 2

FRANCE is negotiating the sale of advanced Mirage 2000 jet fighters to Saudi Arabia in a deal which could be worth as much as FFr 30bn (£2.75bn). Page 2

COLOUR TV imports to the UK rose by 22 per cent in the third quarter of last year against the same period of 1983, while deliveries of UK-made sets fell 17 per cent, the British Radio Equipment Manufacturers Association said. Page 4

FORD is raising UK car prices by an average 3.95 per cent on February 1. Page 3

STOCK EXCHANGE ruling council is to consider again on Tuesday proposals for a radical overhaul of the exchange's constitution. Page 3

PAY: Almost half the crew of the Cunard Liner QE2 agreed to a two-year pay freeze in return for about a third more time off. Page 4

OSPREY Electronics, maker of underwater television equipment, won the first Scottish Offshore Export Award. Page 4

WALT DISNEY, U.S. entertainment group, raised first quarter net income to $32.19m (£28.7m) from $8.99m, excluding a $66.11m gain from an accounting change related to income tax credits. Page 19

Dunlop tries to fight off BTR attack

BY CHARLES BATCHELOR

DUNLOP HOLDINGS, the debt-laden tyre and rubber group, was last night trying to fight off a bid from BTR, the broad-based conglomerate, which seems to be in an overwhelmingly strong position.

The £33.4m bid would torpedo Dunlop's painfully-constructed £142m refinancing package agreed with its banks only last Tuesday, but BTR already holds enough Dunlop preference shares to veto the package.

The surprise bid followed a "dawn raid" on Thursday which netted BTR 28 per cent of Dunlop's preference shares. Dunlop needs the backing of 75 per cent of both these shares and its ordinary shares to win approval of its refinancing package when it comes before shareholders on February 8.

Sir Owen Green, chairman of BTR said: "The only way to make sure we could get a bid that would run was to command the restructuring situation."

BTR is offering two of its own new shares for every 59 Dunlop in a deal which values each Dunlop share at just over 23p. There is a cash alternative worth 20p per share. BTR is also offering seven shares for every 55 Dunlop preference shares or 75p in cash for each share.

Last night Dunlop's board, headed by Sir Michael Edwardes, rejected the BTR offer as "grossly inadequate and opportunistic."

"After a period of uncertainty Dunlop now has a stable leadership and the prospect of achieving financial stability," it said. Dunlop pointed to the 5p rise in its share price yesterday to 36p—nearly 13p above the BTR bid. BTR's shares rose 69p to an all-time high of 686p.

Sir Owen warned that in spite of the proposed injection of capital into Dunlop, its prospects remained uncertain. He noted that Dunlop's own board had cautioned that there were still significant risks. He urged Dunlop shareholders to reject the reconstruction plan.

BTR claimed there were few direct overlaps in its and Dunlop's businesses though the two companies operated in similar product and geographical areas in their engineering and industrial divisions.

Dunlop's U.S. tyre business would fit in with BTR's ambitions in the U.S. while the consumer and sports activities of

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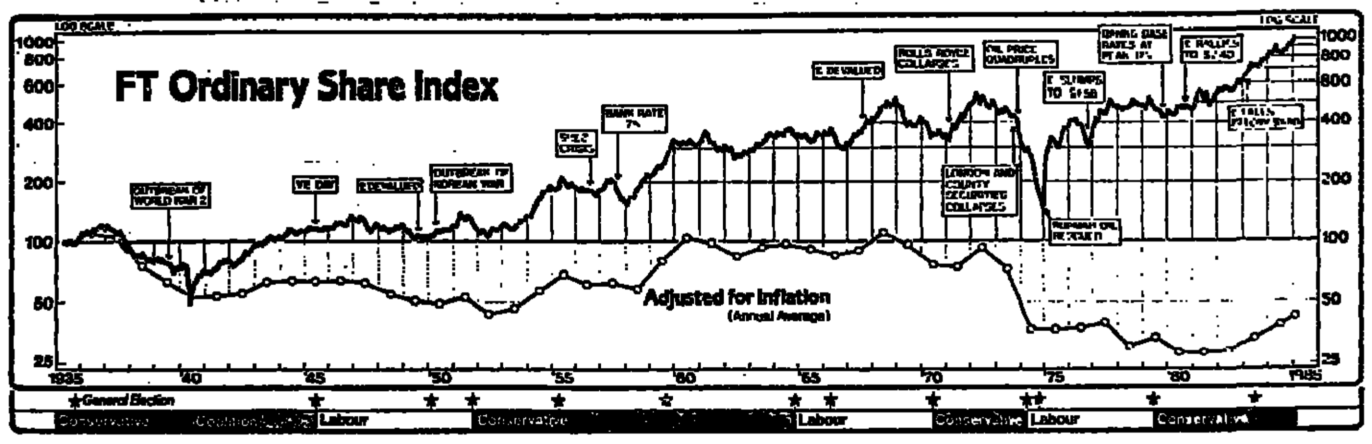
Sir Owen springs his trap, Page 16; Lex, Back Page



Late buying sends shares above 1,000

BY BARRY RILEY, FINANCIAL EDITOR

IT WAS a last-minute affair, but the FT Ordinary share index succeeded for the first time in breaking through the 1,000 level at yesterday's close, finishing at 1,004.4, up 17.2 points.

During much of the day share prices slumbered, threatening to render premature the work of electricians labouring to instal an extra digit in the display in the FT's front window. At lunchtime the index was nearly 10 points short of the target, though it had managed to beat the previous all-time high of 983.1 recorded on January 9.

However, a burst of late buying by institutions sent prices jumping between 3 pm and the close, suitably completing a remarkable week in the London equity market.

It began with near-disaster on Monday when sterling was skidding to an all-time low against the dollar, base rates were jacked up on the Bank of England's instructions and the index lost 19 points. However, the equity market swiftly recovered momentum, putting on a straight 55.1 points in the ensuing four days to go past the 1,000-point landmark.

Last night, institutional investors and brokers in the City failed to see any irony in the index touching such a peak on the day a rise in mortgage rates was announced.

All agreed there was plenty of money around. "It's a story about liquidity," said one. Fund managers it appeared, were afraid to let cash pile up while share prices were rising, but were reluctant to divert funds into the apparently attractive U.S. equiy market because of concern about the level of the dollar.

At the same time, American investors were observed to be active in the London equity market, spending which they feared might lose some of their inflated value.

The City experts were unimpressed by the breaching of the 1,000 level. "Magic numbers don't matter to the professionals," was one view. They agreed, however, that the man in the street might be encouraged especially since the impact made on public consciousness of the equity market by the British Telecom flotation.

"There's been a marked extra stimulus from small investors," reported a partner in a big broking firm. "I've had a lot of calls."

The record comes as the index of 30 leading shares approaches its 50th birthday in July. It started life at 100 in 1935 as the British economy dragged itself out of the Depression.

The initial list of 30 included leading companies of the day such as Bolsover, Murex and Pinchin Johnson which are long-forgotten. Others such as Turner & Newall and F. W. Woolworth have failed to sustain their blue chip rating over half a century.

Ten veterans remain in more or less recognisable form: Blue Circle, Courtaulds, Distillers, GEC, GKN, Hawker Siddeley, ICI, Imperial Group, Tate & Lyle and Vickers.

Constituent changes were rare in the early years but became more frequent as structural change in the British economy quickened. Yesterday, symbolically, BTR—oneof the index's upstarts—made a bid for Dunlop, an ejected member of the club of 30.

Rival indices have arisen to challenge the index's supremacy, with the FT-Actuaries All-Share index created in 1962 and the FT-SE 100-Share index in 1984.

These often have more appeal to th e professionals in the City but in the country at large the 30-share index still holds sway. Last night, nobody was begrudging the old index its moment of glory.

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Home loan rates set to rise

BY MARGARET HUGHES

TWO BIG building societies announced higher mortgage rates yesterday after the 2¼ percentage point increases in bank base rates last Friday and Monday.

Their moves came after an emergency meeting of the Building Societies Association Council had concluded that increases of between 1 and 1¼ percentage points would be "appropriate." The council suggested that the investment rate should go up by ¾ of a point.

The Nationwide and the Woolwich said that their mortgage rate would rise by 1.125 percentage points to 12.875 per cent gross, or 9.01 per cent net of tax relief.

The two societies have been charging less than any other building societies and intend to continue that policy.

The increases for investors and existing borrowers take effetc on February 1, with new borrowers paying the higher rate immediately.

On the investment side, both societies said that they would increase the rate on all accounts by 0.7 percentage points.

The largest society, Halifax said that it also intended to raise its mortgage rate by 1.125 percentage points, but it would not make a final decision until early next week. That would raise its basic rate to 13 per cent gross or 9.10 per cent net of tax relief. The Halifax charges more for larger mortgages.

On loans of between £25.000 and £30,000, it would charge 13.5 per cent while mortgages of more than £30,000 would be charged 14 per cent.

The Society indicated that the rate for investors would be the same as that for Nationwide and Woolwich.

A basic mortgage rate of 13 per cent is the highest since March 1982, when an increasc to 13.5 per cent was announced and held until August of that year. In real terms, however, the new mortgage rates will be at their highest level for several years.

The Building Societies Association no longer either formally recommends or advises rates and it is now up to the boards of each society to decide what to do.

According to the association, a rise of 1.125 percentage points in the mortgage rate would increase monthly repayments by £5.29 per month for every £10.000 borrowed. It would add 0.4 per cent to the retail price index.

Two of the top five societies, Abbey National and Leeds Permanent, have net to indicate their new rates. Leeds has been

Continued on Back Page
Inflation rate down, Back Page; Savings and Investments, Pages 7 and 8.

EXAMPLES OF NET MONTHLY REPAYMENTS

Gross rate %	12.875*	13.00†	13.25
Net rate %	9.01	9.10	9.275
£10,000	£ 85.20	£ 85.60	£ 87.00
£15,000	£127.80	£128.40	£130.50
£20,000	£170.40	£171.20	£174.00
£25,000	£213.00	£214.00	£217.00
£30,000	£255.60	£256.80	£261.00

* New basic rate for Nationawide and Woolwich mortgages. † New basic rate for mortgages from the Halifax which charges more for loans above 25,000. Average new loan=£22,000. Average existing loan=£12,000.

Finance ministers unite on $ curbs

BY STEWART FLEMING IN WASHINGTON AND MAX WILKINSON IN LONDON

THE FIVE major industrial powers have moved toward more concerted intervention in the foreign exchange markets, to curb excessive surges by the dollar, senior officials in Europe and Washington said yesterday.

The move reflects a shift in the emphasis of policy by Mr Nigel Lawson, the Chancellor, and an apparently more sympathetic stance by the U.S. Treasury at the Group of Five meeting of the major nations in Washington on Thursday.

At the end of the meeting the finance ministers and central bank governors from the U.S., West Germany, Japan, Britain and France issued a statement, unprecedented from such a meeting, re-emphasising their agreement to act together to stabilise exchange markets where necessary.

This agreement was reached at the seven-nation summit meeting in Williamsburg in 1983. Since then, however, the U.S. and British treasuries have shown marked reluctance to allow their central banks to sell dollar reserves.

Only a few days ago, when the pound was sliding fast, Mr Lawson rejected a suggestion from a group of European central banks, including the West German Bundesbank, with support from Japan and the sympathy of the Bank of England,

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Renault seeks new state aid

BY PAUL BETTS IN PARIS

RENAULT, the financially troubled French state-owned car group, is seeking at least FFr4bn (£363m) in new government funds this year to help to cut its mounting losses and finance new investment.

The group is expected to report losses of up to FFr 10bn for last year and has raised FFr 5bn since last month through a series of French franc, Swiss franc, and U.S. dolar bond issuesl.

Its difficulties are a big problem for the government. President Francois Mitterrand said on national television that action was needed within days as worries grew about the effect of Renault's ill health in the run up to the 1986 parliamentary elections.

The president's remarks intensified speculation that M Bernard Hanon, Renault's chairman, might be replaced as criticism of the company's management has increased in recent months.

The group's problems have been compounded by a fall in its share of the domestic market which its new Superfive mini so far has failed to reverse. Renault's 31 per cent of the French market last year trailed behind Peugeot's 33.1 per cent.

The company is expected to seek aid involving FFr 2bn in capital grants and FFr 2bn in soft loans. This is more than double the amount received last year and compares with the request by the private Peugeot group for FFr 2bn in soft loans from the government this year.

Renault's problems have been complicated by the refusal of the unions to accept its restructuring programme involving many job losses.

At hopes to shed 9,000 jobs out of a total of 90,000 in its French car division this year through early retirement, repatriation grans for immigrants and other incentives.

Mme Edith Cresson, the Frnech industry minister and a critic of M Hanson's management, claims, however, that Renault will need to lay-off an additional 5,000-6,000 workers in its car division and 3,000 from its truck operations this year.

MARKETS

DOLLAR
New York lunchtime:
DM 3.171
FFr 9.7225
SwFr 2.675
Y254.45
London:
DM 3.181 (same)
FFr 9.7475 (9.75)
SwFr 2.682 (2.6785)
Y254.5 (254.55)
Dollar Index 146.5 (same)
Tokyo close Y253.95

U.S. LUNCHTIME RATES
Fed Funds 8$\frac{5}{16}$%
3-month Treasury Bills: 7.73%
Long Bond: 101$\frac{11}{32}$
yield: 11.52

GOLD
New York:
Comex Jan $306.6 ($307.5)
London: $307 ($305)

STERLING
New York lunchtime $1.122
London: $1.121 (1.119)
DM 3.5675 (3.5575)
FFr 10.9 (same)
SwFr 2.9975 (2.9925)
Y285 (284.75)
Sterling Index 71.3 (71.2)

LONDON MONEY
3-month interbank:
closing rate 12% (same)
3-month eligible bills:
buying rate 11$\frac{13}{32}$% (same)

STOCK INDICES
FT Ord 1,004.4 (+17.2)
FT-A All Share 614.96 (+1.1%)
FT-SE 100 1,277.9 (+17.5)
FT-A long gilt yield index:
High coupon 10.72 (10.79)
New York lunchtime:
DJ Ind Av 1,226.81 (−1.88)
Tokyo:
Nikkei Dow 11,910.06 (+22.87)

Chief price changes yesterday, Back Page

CONTINENTAL SELLING PRICES: Austria Sch 18; Belgium Fr 38; Denmark Kr 7.25; France Fr 6.00; W. Germany DM 2.20; Italy L1,300; Netherlands Fl 2.50; Norway Kr 6.00; Portugal Esc 75; Spain Pta 110; Sweden Kr 6.50; Switzerland Fr 2.20; Ireland 60p; Malta 30c.

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For London market and latest share index, 01-246 8026; overseas markets, 01-246 8086.

The sporting event of the year coincides with the president's inauguration. **Reginald Dale** reports from Washington

Super bowl boost for Reagan's big day

FOUR YEARS ago this weekend, President Ronald Reagan celebrated his first inauguration with a lavish white tie and mink $16.3m (£14.5m) extravaganza that was the biggest, fanciest and costliest in U.S. history. "Opulent," said some, "nervous riche," said others. One wit quipped that the Reagan Administration was the first ever to have a gala premiere.

Sensitive to such criticism, particularly at a time when he is trying to slash public spending, Mr Reagan reportedly suggested that his second inauguration should consist of a simple swearing-in ceremony with none of the attendant hoop-la. But the party faithful would have none of it—and the capital last night began four days of the traditional fireworks, pageants, concerts, balls and parades, though in a somewhat lower key.

This time the festivities are intended to be less extravagant and less elitist. It is still a far cry from President Jimmy Carter's plebeian, informal $3.7m economy version in 1977, when he and his wife Rosalynn gave the secret service the jitters by abandoning the presidential motorcade and walking down Pennsylvania Avenue. The aim is to hold the cost to $10m to $12m.

Nationwide celebrations outside Washington are being sharply reduced. In the capital the number of events has been pruned by one third and Monday's grand parade is to be over in half the time (1½ instead of 2½ hours)—largely by dint of asking the participants to march faster.

There will still, according to the organisers, be 37 civilian bands, six military bands, 35 horse units, 15 military units, 67 floats, five marching units, two choral groups and one dog sled from Alaska parading the mile from Capitol Hill to the White House.

The number of horses, Mr Reagan's favourite animal, has already aroused comment. There are to be 730 of them, against 450 last time: "It may have gotten out of hand," says the parade director.

In one respect this year's celebrations are unusual, though not unprecedented, in that the main ceremonies are taking place on January 21. The constitution says that the President must be inaugurated on January 20, which this year falls on a Sunday.

Most importantly, this Sunday is also the day of the football super bowl—a sporting event of similar national importance to Britain's cup final. So while Mr Reagan will be sworn in quietly at the White House tomorrow, he will do the whole thing again properly in front of 140,000 people at the Capitol the day after. Never one to miss out on a national sporting event, he will open the super bowl by tossing a commemorative coin on a special TV link-up on Sunday afternoon.

Inaugurations traditionally largely pay for themselves through the sale of tickets, souvenirs and other paraphernalia, and this time big business has already chipped in generously with $8m in advance loans to set the ball rolling. Chrysler has lent a fleet of 43 white limousines, which will be sold later with added inaugural cachet.

Inaugural boutiques are selling official mementoes ranging from a limited edition presidential eagle at $1,750, to Royal Doulton mugs in the image of Mr Reagan (you drink out of the top of his head) and 35 posters. There is even an official munchie: Morrow's Inaugural Nibbles.

The touch is meant to be common. "We the people . . . an American celebration" is the official theme and rock concerts have replaced the classical music of four years ago. American youth, which voted 60 per cent for Mr Reagan in November, is being heavily feted.

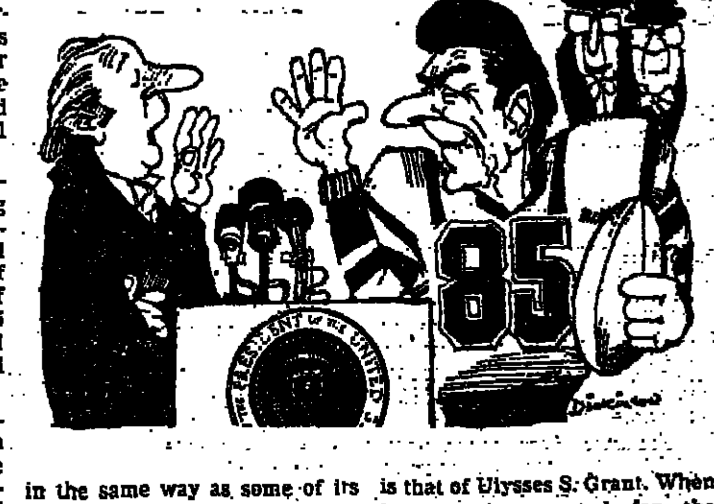
As the 50th inauguration, the organisers intend it to be an historical event — though not in the same way as some of its predecessors. In 1829, after cheering Andrew Jackson, the crowds rampaged through the White House and smashed the furniture.

With bone-chilling temperatures forecast for the next two days, another precedent to avoid is that of Ulysses S. Grant. When he was inaugurated for the second time, it was so cold that the food solidified into inedible chunks, the musical instruments failed to work, cadets fainted and all the caged canaries hung from the ceiling at the inaugural ball froze to death.

President Reagan is planning a European tour in May that will probably include visits to Austria, Spain and Portugal, White House officials said yesterday, Reuter reports from Washington.

But White House spokesman Mr Larry Speakes said there were no plans for Mr Reagan to meet Soviet President Konstantin Chernenko while he was in Europe.

The tour would follow the annual economic summit meeting of the U.S., Britain, France, West Germany, Canada, Italy and Japan that Mr Reagan is due to attend in Bonn from May 2 to 4.



European VE Day ceremony ruled out

NEITHER Mrs Margaret Thatcher nor Chancellor Helmut Kohl of West Germany are expecting any significant international commemoration to mark next May 8, the 40th — and diplomatically immensely sensitive — anniversary of the final capitulation of the Nazis.

Such an attitude would appear to rule out any major ceremony linked to the next economic summit in Bonn just four days beforehand, at which leaders of both victorious and defeated powers in the Second World War will be present.

At a press conference after yesterday's Anglo-German consultations here, Mrs Thatcher defended her about-turn this week when it was announced that Britain would, after all, hold celebrations to mark the end of the war in Europe. They would, she said, be to remember the dead and celebrate the return of peace, reconciliation and freedom to Western Europe.

The most that now appears likely, despite the fact that President Reagan is expected to stay on in West Germany for a two-day state visit after the summit, is some form of declaration by the seven participating countries emphasising, in Mrs Thatcher's words yesterday, "our dedication to the values we cherish."

Her emphasis on purely national celebrations reflects the Government's determination to avoid giving offence to West Germany, now a close ally and partner.

Herr Kohl, too, insisted he had heard nothing of any planned international commemoration. For Germans, it would be a moment of remembrance of the darkest moment in their history.

Present plans here are for Herr Kohl to speak at a ceremony organised by German Jewish associations to mark the anniversary of the liberation of Bergen-Belsen concentration camp on April 21, 1945. On May 8 there will be an ecumenical service in Cologne cathedral and an address to both houses of the German parliament by Herr Richard von Weizsäcker, the Federal President.

The morning of talks between the two leaders, who were accompanied by their respective foreign, defence and trade ministers, produced a notably upbeat assessment of the prospects for the forthcoming arms control negotiations between the U.S. and the Soviet Union.

Mrs Thatcher and the Chancellor claimed that this month's successful first contacts between Mr George Shultz, the U.S. Secretary of State and Mr Andrei Gromyko, the Soviet Foreign Minister, were a triumphant vindication of Nato's "twin-track" decision to both deploy new missiles yet maintain a readiness to negotiate.

Both also pledged their determination to see EEC enlargement discussions completed this spring. But the Chancellor emphasised Bonn's position that the scheduled increase in the Community's own resources from January 1 1986 remained tied to the entry of Spain and Portugal.

Kyprianou, Denktash at odds in UN talks

By Andriana Ierodiaconou in New York

THE WITHDRAWAL of Turkish occupation forces from northern Cyprus and the nature of the guarantees for a proposed federal republic on the island loomed as major obstacles to reaching a draft settlement agreement on the second day of summit negotiations at the United Nations yesterday.

The talks wer held between Mr Spyros Kyprianou, Cypriot President and Mr Raoul Denktash, leader of the Turkish-Cypriot minority.

As the two men launched into their second bout of face-to-face bargaining with the help of the UN Secretary-General Sr Javier Perez de Cuellar, they appeared to be at odds over the purpose of the New York meeting.

After the first round of talks, Turkish-Cypriot and Turkish officials stuck to the view yesterday that Mr Kyprianou and Mr Denktash were in New York simply to sign a document prepared during three months of indirect negotiations with the mediation of Sr de Cuellar, prior to the talks.

But Greek-Cypriot officials pointed to the fact that the two men were going into a second day of meetings, to support their view that no such document exists, and that there is still serious negotiating to be done before an acceptable draft agreement for a Cyprus settlement is reached.

Mr Denktash is believed to have put forward the view that a residual 5,000-strong Turkish armed force should remain in Cyprus under a future settle*ment, in order to safeguard the* security of the 18 per cent Turkish-Cypriot minority.

A timetable for the withdrawal of the remainder of the Turkish troops could be worked out, with pull-out to begin after a transitional federal Government is established on the island, Mr Denktash is understood to have proposed.

French try to clinch FFr 30bn Mirage jet deal with Saudis

BY DAVID MARSH IN PARIS

FRANCE IS negotiating the sale of advanced Mirage 2000 jet fighters to Saudi Arabia in a deal which could be worth as much as FFr 30bn (£2.75bn), French industry officials said last night.

The nationalised military plane-maker Dassault has emerged as a powerful contender for the contract in the last few months following setbacks during the summer to British hopes of clinching a £1bn order to supply Riyadh with Tornado attack aircraft and Hawk trainers.

Although reports in Paris that the Kingdom is envisaging buying 46 Mirages could not be confirmed, the negotiations are believed to be "going well."

As well as supply of the aircraft, any Saudi deal would almost certainly involve purchase of ancillary electronics and weaponry from the Thomson and Matra defence companies. These two groups were already involved in a $4bn (£3.6bn) deal announced 12 months ago to supply Riyadh with a complete missile system for air defence.

France has a strong political card to play in negotiations with Riyadh because of its high level of existing defence contacts and its active arms sales support for Iraq in Baghdad's long-running struggle with Iran.

The Mach 2.2 Mirage 2000, capable of flying at an altitude of 54,000 feet, started to go into service with the French air force last summer.

So far it has been ordered by Egypt, India and Peru, with Greece announcing at the end of last year that it intended to place a contract for 40 planes.

Abu Dhabi, which purchased a first batch of 18 Mirages in 1983, is on the point of buying another 20 or so in a three-cornered arms-for-oil barter deal.

Britain has been anxious to clinch the Tornado sale, which would represent the biggest Saudi-UK arms deal for 20 years, above all to improve the capacity outlook for British Aerospace.

One reason why the Saudis have been dragging feet in talks with the UK is believed to have been anger in the Royal Family over British press reports concerning leading Saudi personalities last year.

Settlers call rally in Noumea

BY DAVID HOUSEGO IN PARIS

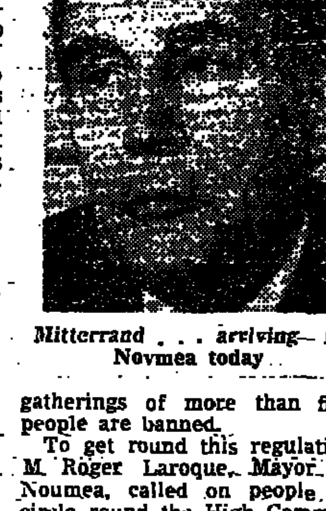
NOUMEA, the capital of New Caledonia, was draped with the French colours yesterday as the territory's French settlers prepared to greet President *Francois Mitterrand* with a display of their determination to remain part of France.

M Mitterrand was due to arrive in New Caledonia this morning for a day-long visit in which he will canvass support of the Government's proposals for granting the islands independence in association with France.

This option has been rejected by the RPCR, the party which has a majority among the settlers and forms the local *government.*

RCPR leaders called yesterday for peaceful demonstrations to demonstrate loyalty to France but there was a good deal of uncertainty in Noumea on whether these might turn into violent protests.

Under the state of emergency regulations still in force after the rioting of a week ago gatherings of more than five people are banned.



Mitterrand . . . arriving— in **Novmea today**

To get round this regulation M Roger Laroque, Mayor of Noumea, called on people to circle round the High Commission building carrying French flags.

The building is where M Mitterrand plans to receive loyalist leaders and representatives of the separatist movement.

But M Laroque was also quoted as saying that he was sure that at one moment or another a crowd would gather spontaneously and "that there will be clashes."

Nervousness over crowds getting out of control appears to have been one reason behind M Mitterrand's decision to receive political leaders at the High Commissioner's building during the morning rather than risk a public visit to the municipality or local assembly which could have provoked an incident.

Later M Mitterrand is to travel by helicopter to the nickel mine of Kouaoua before meeting M Edgar Pisani, the High Commissioner. He returns to Paris in the evening.

M Jean-Marie Tjibaou, the separatist leader, is reported to have expressed willingness to see M Mitterrand

Smog brings wide areas of Ruhr to standstill

By Rupert Cornwell in Bonn

AN unprecedented blanket of smog last night brought wide areas of the highly-industrialised Ruhr zone in West Germany almost to standstill, as local health authorities ordered private cars off the roads, and many local factories to close.

The dramatic moves, affecting the western parts of the Ruhr, from Duisburg and Dusseldorf across to Essen, were taken in mid-afternoon by the North Rhine Westphalia Government.

They came after readings showed that atmospheric pol*lution had surpassed* the critical level of 1.7 milligrams per cubic metre of air.

This triggering of the so-called "Smog Alarm Three" automatically bars private traffic in densely-populated areas and obliges many plants which discharge pollutants such as sulphur dioxide to cease production for at least 24 hours.

The crisis has been brought about by a freak climate "inversion," caused by the icy *weather which* has gripped Germany for the past two weeks.

A layer of cold air, into which waste is emitted, has been trapped motionless against the earth by a blanket of warmer air above, and no immediate change is in prospect.

The intensified alert understandably brought with it much confusion. Overworked officials were bombarded with calls requesting further details of the restrictions.

In scenes reminiscent of the nuclear war film, The Day After, police cars with oudspeakers toured almost empty streets in cities such as Duisburg and Oberhausen, broadcasting instructions.

Motorway exits to the affected Ruhr centres were quickly closed. The smog has also disrupted political life, as both the Green and Christian Democrat (CDU) parties in *North Rhine-Westphalia* cancelled party conferences set for today because of travel difficulties.

The emergency could well have wider political repercussions too. It can only sharpen the already emotional debate about the environment.

Airlines cut fares

AMERICAN AIRLINES' plan to undercut discount carriers *by slashing rates up to 70 per* cent on routes within the U.S. was quickly matched by five other U.S. airlines yesterday, sparking fears of crippling fare wars and sending industry stocks into a tailspin, AP reports from Dallas.

Starting next month, fares ranging from $39 for short trips to $129 for one-way, cross-country travel will be available in all 92 cities American Airlines serves.

Trans World Airlines, Pan Am, Delta Airlines and Northwest said they would match the fares. United Airlines will do so, but reluctantly," it said.

EEC warning on postal monopolies

BY PAUL CHEESERIGHT IN BRUSSELS

THE EUROPEAN Commission has warned the postal and telecommunications authorities to the EEC countries that any extension of their businesses could be a breach of Community competition rules.

The warning came yesterday as the Commission disclosed that it had reached an agreement with the Bundespost, ensuring that the West German postal monopoly will guarantee free and fair competition from private courier companies.

The agreement with the Bundespost follows talks with the West German Government last month. The Bundespost case has been one of several Commission investigations into postal monopolies through the EEC.

Officials said last night that these investigations were not well advanced and they refused to specify which authorities were being examined.

But they emphasised that Mr Peter Sutherland, the new commissioner in charge of competition policy, would continue to pursue cases where there was evidence that a business concern, private of public, might be "abusing a dominant position on the market."

Article 86 of the Treaty of Rome, setting up the EEC, holds that companies with a dominant position on the market abuse that position when they seek to limit developments to the prejudice of consumers.

Postal and telecommunications authorities are held by the Commission to be businesses because they supply goods and services for payment.

The Commission's argument with the Bundespost was that its own development of an express mail service as part of its postal monopoly would have undermined the development of private courier companies.

But the Bundespost has assured the Commission that it will not charge below cost for its own express delivery services.

Peter Bruce writes from Bonn: The West German Bundespost, which controls the world's third-largest telephone network, is likely to come under further pressure to release its grip on the nation's communications.

Herr Christian Schwarz-Schilling, Bundespost Minister, has said he intends liberalising its monopoly once Germany has its new cable, satellite and cellular radio infrastructure intact. But Herr Martin Bangemann, the Economics Minister, is understood to be keen to begin dismantling it now.

Personal income in U.S. rises 0.5% in December

BY STEWART FLEMING IN WASHINGTON

THE U.S. economy is entering the new year with more momentum than many economists believed a few weeks ago.

Yesterday the Commerce Department reported that personal income in December rose a healthy 0.5 per cent — the gain would have been higher but for a delay in military retirement payments — and personal consumption expenditures December now in there is little pects for the forhcoming arms rose 1.2 per cent.

The data confirms that the decline of retail sales reported earlier in the week was indeed a statistical anomaly sending out a misleading signal. The personal consumption statistics, reported yesterday, provide a broader and more accurate picture of consumer spending last month.

With the key figures for the economy's performance in December now in there is little evidence of the recession which some economists feared a few weeks ago.

The December figures are encouraging many economists to expect this year's first quarter performance to be rather better than the 2.8 per cent rise in real GNP which the Government has predicted

● Exxon, the world's biggest oil company, has abandoned its first well on the Antares prospect in Alaska's Beaufort Sea. It plans to drill a second hole, but its failure to find oil in what was regarded as one of the more promising parts of the Beaufort Sea is another setback to the oil industry's efforts to find sizeable new oil reserves, writes William Hall in New York.

Statoil fixes price for North Sea oil

By Dominic Lawson

NORWAY has finally fixed the price it will charge for its North Sea oil production in December and January.

Statoil, the Norwegian state oil company, has agreed a series of individual deals with its customers, based on an average price of $27.80 (£24.82) per barrel of December oil and a price of $27.35 per barrel for January production.

This is considerably below the $28.65 official British National Oil Corporation price for December. But BNOC has been prevented by the Government from opening pricing discussions with UK North Sea suppliers.

The UK Government does not think it necessary to react to the move by its rival North Sea producers, largely because BNOC is already selling its oil at spot related prices. It is also anxious to avoid provoking the Organisation of Petroleum Exporting Countries in the run up to the Opec ministers' meeting in Geneva on January 28.

Professor Tam David-West, the Nigerian Oil Minister, is to have a meeting with Sheikh Ahmed Zaki Yamani, the Saudi Oil Minister, in Riyadh this weekend. The meeting was apparently requested by Nigeria, which is anxious to *explain to Opec's largest* producer why it feels unable to comply with Opec's pricing policy. Experts from Opec's price differentials committee are also meeting in Riyadh tomorrow in order to make recommendations on pricing to the forthcoming Geneva conference.

Nicaragua plans to bring in foreign investment law

BY TIM COONE IN MANAGUA

NICARAGUA'S NEW Government is to launch a series of measures aimed at winning further co-operation from abroad and bringing peace at home. Dr Sergio Ramirez, the new vice-president, said yesterday that a foreign investment law is to be presented to the National Assembly next week and a general amnesty is to be declared covering all the U.S.-backed guerrilla groups, or "contras," fighting a guerrilla war against the Sandinista authorities.

About 10,000 guerrillas are involved in the conflict, with *the backing of the Reagan* Administration which intends to try and persuade the U.S. Congress to expand its financial and military aid to the rebel forces.

A limited amnesty announced in December 1983 resulted in around 1,500 guerrillas giving themselves up.

Dr. Ramirez said that, while the guerrilla war continues, the Government's priority will continue to be defence. Parallel to the general amnesty, a major effort will be made this year to inflict a definite military defeat on the contras.

The new foreign investment law, he said, will be "modern and flexible" and will permit the repatriation of profits and property. It will seek to attract investment to the petroleum, mining, forestry and agro-industrial sectors. Projects may be entirely foreign owned, or could be joint projects with Government or private Nicaraguan capital.

Foreign investment in Nicaragua has been very low since the 1979 revolution, because of uncertainty over future legislation and direction of the Sandinista Government.

However, a clear line is beginning to emerge with the formation of the new government committed to a mixed economy and to economic stabilisation.

India starts safety check on hazardous chemicals

BY JOHN ELLIOTT IN NEW DELHI

INDIA HAS set up a study of the way developed countries deal with hazardous chemicals, following the lethal gas leak in the Central Indian city of Bhopal last month, where more than 2,000 people died.

This was announced yesterday in the Indian parliament by Mr Virendra Patil, Minister of Chemicals, in the first detailed Government statement on the tragedy.

India's senior scientist involved in enquiries into the accident has already publicly blamed Union Carbide, which owned the plant, for alleged safety failings.

Mr Patil said the Government had advised all Indian states to review their safety procedures. It was considering setting up a national scientific and safety committee to co-ordinate studies on the after-effects.

Union Carbide's factory licence has not been renewed beyond the end of last year and a manufacturing licence under the Insecticides Act has been cancelled.

Parti Quebecois likely to shelve sovereignty issue

BY BERNARD SIMON IN TORONTO

THE Parti Quebecois, the governing party in the Province of Quebec, is expected to take an historic decision today to back away from its 17-year campaign for the political sovereignty of Canada's only predominantly French-speaking province.

A special PQ convention in Montreal will decide whether *the commitment to seek auto*nomy from the rest of Canada should form part of the Parti's platform for the next provincial election, due to take place within the next 15 months.

Deeply divided over the emphasis to be placed on the sovereignty issue, and at a low point in public opinion polls, the Parti is likely to push the quest for an independent Quebec into the distant future.

It will probably concentrate instead on regaining support by stressing economic issues and closer co-operation with the new Conservative Government in Ottawa headed by Mr Brian Mulroney, the Prime Minister, himself a native of Quebec.

The likelihood of Quebec Separatists realising their ideal has gradually faded since the PQ, led by Mr René Levesque, came to power in November 1976.

The steady advancement of French-speaking Canadians in public life and business during the past two decades has blunted the Separatists' arguments.

Sovereignty is no longer the burning issue in Quebec that it was in the early 1970s, and attention has focused instead on the province's high unemployment and other economic problems.

Quebeckers voted in a 1980 referendum to remain within *the Canadian Federal system.* The PQ has lost more than 30 consecutive by-elections.

The Parti's own commitment to sovereignty has slowly cooled with pragmatists such as Mr Levesque arguing in favour of the vaguely-defined concept of "sovereignty - association" — generally taken to mean a form of political autonomy combined with close economic ties to the rest of Canada, including the same currency.

Mr Levesque, widely respected for his political acumen, precipitated an open split in the Parti last autumn, by suggesting that the PQ ignore the sovereignty issue in the forthcoming election campaign.

Seven hardliners resigned resigned from the Cabinet, including Mr Jacques Parizeau, the respected Finance Minister.

The Separatist faction, based in Montreal, has concealed that it does not have majority support among delegates to today's convention. But its leaders may try to embarrass Mr Levesque by either resigning from the party or challenging his leadership.

Despite the PQ's present troubles, it can take comfort that the opposition Liberal party has also suffered internal divisions in recent years and its leader, Mr Robert Bourassa, a former provincial premier, is widely seen as vacillating

Meanwhile, Mr Mulroney, whose backing would greatly improve either party's electoral chances, is remaining cordially neutral. He has met both Mr Levesque and Mr Bourassa recently, and has pleased both sides *by discouraging the formation* of a provincial Conservative Party in Quebec.

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Ford putting up prices at twice rate of inflation

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

FORD, the car market leader, is pushing up its prices at nearly twice the rate of inflation in spite of intense competition between the leading manufacturers.

It said yesterday that its list prices would rise by an average of 3.95 per cent on February 1. That comes after a 3.7 per cent increase in August and means that Ford has raised list prices by 7.79 per cent in 12 months compared with the 4.5 per cent rise in the retail price index.

The company said that it needed the increase if it was to remain profitable at a time when its costs were rising much faster than the index.

In the last 12 months, sheet steel prices had raised 7.2 per cent; bar steel was up by 11.7 per cent; plastic by 6.7 per cent; and paint by 5.1 per cent The company had also reached a wage rise settlement of 7 per cent.

Ford is using the coming price rise to gain some marketing advantage. Its two week's warning should enable dealers to pull forward some new car sales and improve the company's showing this month.

Its market sharein the first *10 days of the year was only* 22.44 per cent, but its target is about 30 per cen for 1985 as a whole.

Las year, Ford ended with a 27.83 per cent penetration, *ahead of BL (17.84 per cent)* and General Motors, the Vauxhall-Opel group (16.17 per cent).

Austin Rover, BL's volume car subsidiary, and GM both waited *for nearly two months last* autumn before following Ford with their own price increases. That pattern might be repeated in the present round.

Examples of Ford's price changes: The *Fiesta Popular* will go up from £3,847 (including car tax and VAT) to £3,999; Fiesta 1.1 L from £4,889 to £5,083; Escort 1.3L five-door from £5,594 to £5,815; Orion 1.3L from £5,660 to £5,884; Sierra 1.6L from £6,457 to £6,712; and the Granada 2.8i Ghia X from £14,154 to £14,713.

BBC radio services unscathed by inquiry

By Raymond Snoddy

BBC External Services has emerged unscathed from a government inquiry into its funds and managerial efficiency.

The announcement was made on the same day that it was revealed there would be a value-for-money inquiry into the corporation's entire operation.

External Services makes radio broadcasts in 37 languages to an estimated weekly audience of 100m. The report of the inquiry was accepted by the BBC board of governors on Thursday. It is on its way to the Government.

It is believed the report accepts External Services makes effective use of its funds. The services cost £80m a year, paid by government grant-in-aid.

The report, however, avoid anything that would involve extra spending. No action *is* being taken to pursue last year's suggestion by Mr Douglas Muggeridge, whose retirement as managing director was announced yesterday.

Mr Muggeridge, retiring due to ill health, had said cable and *satellite television growth* meant there was urgent need for the Government to consider a television version of External Services.

Britain takes the big freeze in its stride

James MacDonald, Andrew Taylor and Richard Evans on how we are coping in the cold

TRIPLE sales of fur coats and thermal underwear, eggs frozen while being laid and a shortage of plaster of Paris are all facets of life in Britain in the Great Freeze of 1985.

But whether this winter will enter the nation's folklore like those of 1963 and 1947 will not be clear for some weeks. However, the weathermen are already talking about the current Arctic conditions in tones of reverence.

London had its coldest day this week for 38 years, rivers and harbours have frozen over *for the first time in decades, and* the Automobile Association has pitched in with lurid warnings of what could befall the imprudent motorist.

But apart from areas in south *and east England hit by the* blizzards last week, and the West Country yesterday, industry and commerce and life in general have been maintained with surprisingly little disruption.

Worst hit have been the homeless in big cities. Hostels in London run by the Salvation Army and other charities are at bursting point. The Salvation Army ran out of blankets during the week, and London Regional Transport is considering opening underground stations to down-and-outs at night.

A prime reason for the lack *of industrial disruption has been* the maintenance of power supplies—in spite of the coal strike. The Central Electricity Generating Board announced it had met another record demand on Thursday—the fourth in the last two weeks—and forecast it could continue to meet the higher demand created by the bad weather for the foreseeable future.

There have been no reports so far of closedowns in major industries because of the freeze. apart from the suspension of iron ore and coal lorry convoys to the Llanwern steel works. Confederation of British Industry in London praised the way commuters had got to work in spite of transport difficulties.

Regional CBI directors in the south said main routes had been kept open reasonably well and supplies maintained, but some difficulties had been caused by the waxing of diesel fuel and the freezing of brake pipes.

To some, the freeze-up has brought nothing but benefit. Mr Roy Stephens, managing director of Selfridges, said sales of fur coats, boots and heavy knitwear were all 2½ to three times higher than last year and sales of hot drinks and soup had rocketed. Unlike stores in country areas there had been no drop in the number of *shoppers.*

Marks and Spencer also reported tripled sales of thermal and other cold weather clothing but they had been well stocked because of the late start to the wintry weather. In general sales were slightly down this week compared with last because people in hard-hit areas were not venturing out more than necessary.

The freezing temperatures and bad road conditions have led to a surge in sales of batteries, anti-freeze and motorists' "emergency" buys. A spokesman for Unipart said there was also every prospect of high sales of replacement engine blocks and body panels.

In contrast, horticulturists have been badly affected. The National Farmers' Union reports one member's heating bill has risen to £4,000 a week, the equivalent to eight weeks' sales of produce in spring and summer.

Vegetables like parsnips, turnips and swedes which are still in the ground cannot be harvested, and there is a longer term danger of frost damage. Leeks, sprouts and cauliflower *have also not been picked and* prices have in many cases doubled over the last fortnight.

Many farmers have reported that pipes have to be thawed out before milking and have *frequently refrozen during milk*ing. There have also been reports from Kent that free range eggs have frozen before they can be collecter, and some eggs have been frozen as they were being laid.

The freeze has also been less than welcome at a Lowestoft company that usually produces 1,000 tonnes of ice a week. Current demand is down to 200 tonnes.

The National Bus Company, after two weeks of frustrating delays and the occasional cancellation, admitted that a coach set out from Penzance to London yesterday but could only get as far as Camborne because of the conditions. The passengers had to be transferred to British Rail.

The financial impact of a long winter could be severe on bus and coach companies. They tend to gain passengers who prefere not to drive in atrocious conditions but these benefits are far outweighed by extra maintenance costs and additional accidents.

British Rail has had to cancel a number of trains and there have been numerous *delays on commuter services* over the last fortnight. However in general the situation is better than a few years ago because of the increased number of points heated electrically.

The temporary closure of Heathrow, Gatwick, Newcastle and other airports is blamed partly on the type of snow that falls in the UK. It is wetter and heavier than powdery Alpine snow and turns either to slush or solid ice. This makes it much harder to clear the runways while it is still snowing.

Many local authorities have faced great problems keeping roads open. In rural areas councils have loaned snow-clearing equipment to farmers who have used tractors to keep *side-roads and lanes clear.*

After two weeks of frost and snow some authorities are running short of grit and salt. East Sussex, for example, has used two-thirds of its stock of 20,000 tonnes.

Many hospitals have had to cancel non-urgent operations in order to release beds for patients with broken limbs following falls on the ice. A number of hospitals reported a shortage of plaster of Paris because of the sudden demand.

A brief respite from the freeze in London yesterday brought a spate of burst pipes. The London Fire Brigade received more than 350 calls to flooded homes and burst pipes, and Thames Water said over 1,000 of the authority's mains had burst over the past fortnight. *Because of bursts,* demand was equal to that during a hot summer.

Insurance compaines were reserving judgment. The ultimate level of claims will *depend partly on the length of* the freeze and on whether the thaw is sudden or gradual. A rapid thaw would result in flooding and many more burst pipes.

SE constitution plan to be reconsidered

BY JOHN MOORE, CITY CORRESPONDENT

THE Stock Exchange ruling council is to reconsider next Tuesday proposals for a radical overhaul of the exchange's constitution.

The council has been deeply divided on major points of detail in an ambitious plan prepared by an ad hoc constitutional committee. Although the council is agreed on the broad thrust of the committee's proposals, it is not agreed on technical measures in the plans.

The council's committee is led by Mr George Nissen, senior partner of stockbroker Pember & Boyle. It has been trying to frame proposals which would be approved by the council and eventually by the market's members, who will be asked to vote on the plans.

The proposed changes were triggered by regroupings among British securities companies and by the involvement of banks and other financial concerns with stockbrokers and stockjobbers.

The constitutional committee *has been trying to resolve* a key question. It is this. What should be the price of entry outsiders should pay for participation on the exchange?

The committee has also been trying to devise a scheme to allow existing members to benefit financially from outsiders' involvement. An ambitious scheme is under consideration to create a market in the *shares of the exchange itself,* which all members hold.

Issues the committee has been trying to resolve include:

- Whether corporate members shoulud pay an entry fee as well as being obliged to hold shares in the exchange.
- Whether corporate members should be obliged to hold one share in the exchange or a block of shares.
- How value could be created in the exchange's own shares in a way by which the price does not deter outsiders from becoming members or annoy existing members. Existing members feel they should secure a respectable return from outsiders' involvement in the market and a good price for any shares they hold.
- Whether there should be two categories of members. These would be the proprietors owning the exchange undertaking and the professional members owning the shares.
- Whether, if shares were to be traded in the exchange, they should be controlled in distribution or there should be a free market.

The exchange is worried that unless it can produce a package of proposals satisfactory to the market, the changes may fail. A 75 per cent majority of those voting would be required for the changes.

It is feared that the existing members, whose firms have not done deals with outside interests, *may find the eventual* package unacceptable.

Rebel MP defies Kinnock over coal debate call

BY MARGARET VAN HATTEM, POLITICAL CORRESPONDENT

MR DENNIS SKINNER yesterday *defied Mr Neil Kinnock,* the Labour Leader, *signolling* that Labour left-wingers will continue to press for a Commons debate in Government time on the coal dispute.

Their efforts to do so in the Commons on Thursday led to a 20-minute suspension of the sitting and provoked a furious rebuke from Mr Kinnock, who accused the 16 or so rebelts of "indiscipline and self-indulgence."

But Mr Skinner, speaking on BBC Radio 4 yesterday, rejected Mr Kinnock's claim that such a debate would offer the Government an opportunity to attack the *miners* and *exploit division* in their union, while advancing the miners' cause not at all.

Mr Kinnock's angry words to the rebels on Thursday night won warm applause at a well-*attended meeting of* the Parliamentary Labour Party. Right and left wing party members alike said later it was high time that he asserted his authority as leader, and they criticised the rebels for failing to consult or inform any Labour MPs outside their own group.

Mr Skinner however, claimed *yesterday that many Labour* MPs in the centre of the party, including front bench speakers, were calling for a debate on the coal industry.

So far there has been no suggestion of *disciplinary* action, such as withdrawing the Labour whip. Indeed, Mr Kinnock emphasised that if they continued their tactics, there was nothing he could do to stop them.

Further demonstrations would, however, be seen as a direct challenge to Mr Kinnock's authority, and would almost certatinly plunge the party into a heated round of internal battling.

Mr Roy Hattersley, deputy Labour leader, said that Mr Kinnock's angry response to the rebels had been "brave, right, and showed exemplary *leadership.*"

Speaking on the Channel 4 television programme A Week in Politics, he said the demonstration in the Commons was "a self-inflicted wound; we shot ourselves in the foot yesterday — 15 of us shot the collective party in the foot."

Stanley not to seek Labour post

BY MARGARET VAN HATTEM

MR BRYAN STANLEY, general secretary of the Post Office Engineering Union, announced yesterday that he would not stand for the job of Labour Party general secretary.

Indications are, therefore, that the contest for the post will *be between Mr Larry Whitty,* research officer of the General, Municipal and Boilermakers' Unien, and Mrs Helen Liddell, party secretary in Scotland, with Mr Whitty as favourite.

As nominations closed *last* night there was no indication of any last-minute candidate to upset the calculations. Mr Whitty was believed to have retained the support of Mr Neil Kinnock, the party Leader.

Right-wing members of the National Executive Committee, who have expressed strong doubts about Mr Whitty's suit*ability for the job,* had lobbied hard to persuade Mr Stanley to accept nomination.

The list of nominations is due to be published on Wednesday, when the NEC is to draw up a *short-list* from what is understood to be a large number of nominations.

Television set imports expand dramatically

BY JASON CRISP

IMPORTS OF television sets rose dramatically last autumn at the expense of UK-made sets as the overall market fell slightly compared with the corresponding period in 1983.

The latest figures from the British Radio Equipment Manufacturers Association confirm the problems that Thorn EMI is facing. Last week Thorn EMI said its Ferguson subsidiary, the largest UK maker of television sets, would only break even in the financial year ending this March.

The association says imports of colour television sets rose by 22 per cent in the third quarter of 1984 compared with the corresponding period in the previous year. Deliveries of UK-made sets fell by 17 per cent as the overall market slipped *by 3 per cent.*

The main reason for the rise in imports is the rapid move from large-screen sets, which are mainly made in Britain, to small sets made in the Far East.

Deliveries of UK-made large-screen sets fell by 100,000 units in the quarter, to 321,000, while imported sets remained about the same at 122,000.

The figures also show that last year is not likely to have been a bad year for colour television sets, as had been feared, and probably will exceed 1983's record total. The decline in third-quarter figures was less than expected. The indications are that Christmas sales were strong.

The association, however, confirms the continuing collapse of the video-recorder market. This fell by 26 per cent, to 337,000 units, in the third quarter. None the less this was significantly higher than in the second quarter and indicates that video is now seasonal with very weak demand in the summer.

The overall colour television set market last year is expected to reach 3.6m or 3.9m units because of the rapid growth in small sets with screens of 16 in or less.

The demand for small television sets is for second sets for bedroom, for children, for caravans and cottages. It has been boosted also by sales of videos and home computers.

Large screen television sets are largely a replacement market with current demand following the pattern set 8 to 10 years ago. *A surge in sales of* large colour television sets in 1982 and 1983 represented the replacement of sets bought in the 1973-74 Barber boom. That is now over.

Even so, sales of large sets last year are expected to have been close to 2m. This is still significantly above the 1.5m achieved in 1980.

The really dramatic rise in colour television sets has been in small sets with screens of 16 in or less. Sales of small sets *jumped from 485,000 in 1980 to* an estimated 1.7m last year.

The main reason for the overall higher level of demand for colour television sets is price. This has fallen sharply in real terms.

Greek tours increase as Spanish holidays fall

By Arthur Sandles

HOLIDAY bookings to Spain are continuing to fall this year while holidays to Greece and Yugoslavia are increasing, according to British travel agents this weekend.

Price increases of 20 per cent or more, coupled with reports of violent crime and the fact that a large slice of the traditional Spanish package tour market is affected by the fall-off in spending in mining areas, are combining to hit Spanish bookings hard.

While the overall travel market may be down by about 20 per cent—trade estimates vary between 17 and 40 per cent—Spain seems to be coming off very much the worse.

In Greece and Yugoslavia, however, there is a risk of the holiday supply running out.

As a result of the rush to Greece there has been talk of a possibility of overbooking by some hoteliers and Britons being turned away this summer. The Greek tourist authorities are now saying they will crack down heavily on any such practices.

According to Mr Basil Mantzos, chairman of Olympic Holidays: "They do not want overbookings and are going to be very tough on that, with sanctions against hotels."

Mr Mantzos said Greece is aware of the opportunities and is determined to maintain the increase at least for three years.

Britain's biggest tour operator, Thomson Holidays, acknowledges the expansion in bookings to Greece and Yugoslavia, but says sales of Spanish Holidays are not as bad as some reports suggest.

"While suffering from price rises which seem high when compared with last year, but not so high if taken over a three year period, it is still the number one destination. Some holidaymakers may desert the Spanish resorts for other destinations, but they will be *in the minority," said* Mr John MacNeill, Thomson Holidays managing director.

If bookings continue at the present low level in the industry the next few weeks will see the start of "consolidations," the industry term for the cutting out of some holiday flights and the consolidating of holiday groups into larger parties. This means the inevitable changing of holiday plans for thousands.

It might also mean the release of thousands of aircraft seats on to the market and this in turn, Pickfords predicts, might lead to last-minute cut price offers and discounting.

Sizewell 'unlikely to save costs'

THE CENTRAL Electricity Generating Board was accused yesterday of misguided claims over the economic benefit of the proposed Sizewell B power station.

The Town and Country Planning Association said the board's forecasts for growth of energy demand and fossil fuel prices were unlikely to prove accurate.

Mr John Blake, the association's vice-chairman, said at the Sizewell B inquiry in Suffolk that the power station was unlikely to produce cost savings and that each subsequent plant would be less economic.

NW's promotional effort confused

THE NORTH-WEST'S attempt to set up a new promotional body for the region was eft in confusion again yesterday after an extraordinary general meeting of North-west Industrial Development Association.

The meeting accepted long-standing plans to set up Inward, to take over the promotional role from Norwida, which is due to be disbanded in March. Last July, however, four country councils which would be involved in financing a new body were not prepared to accept Inward's structure.

Research body plans cuts as income falls

BY DAVID FISHLOCK, SCIENCE EDITOR

THE NATURAL Environment Research Council is set to become smaller and to lose 900 jobs, according to a draft corporate plan circulating among *senior staff and union officials.*

Under the plan, the council would concentrate its efforts on supporting universities and on winning research contracts.

The plan is the second to be drawn up by one of the five government-funded research councils under the threat of severe financial pressure. The first was produced by the Agricultural and Food Research Council in 1983.

The plan foresees the council's £65m income from the Department of Education and Science falling steadily by about 3 per cent a year, with its commissioned earnings, more than £25m this year, falling proportionately.

It proposes to cut the council's staff from 3,130 to 2,230 by 1990.

More of its resources are to be used in direct support of universities, rising from 12.5 per cent today to about 21.5 per cent by 1989-90.

It also hopes to receive more of its income from commissioned research in future, increasing from 25 per cent this year to about 30 per cent in 1990.

The plan aims to simplify and improve decision-making and management, to improve development of multi-disciplinary research in environmental *sciences; and to improve quality* and flexibility of management to meet changing targets.

It will involve a big reorganisation, with three new committees taking responsibility for its broad areas of research, namely earth sciences, terrestrial and freshwater sciences, and marine sciences.

The council wants to forge stronger links with industry, citing its established roles in mineral, energy, hydrology and fishery research, and the progress it is making in forestry, cryo-preservation [very cold storage] and marine technology.

The plan stresses that environmental science is no longer cheap and requires large capital investment in the latest research tools to reach international standards.

Major items of capital expenditure expected in the next three years include re-equipping the Antarctic bases, new computers and replacing research vessels.

The council is seeking comment on the plan before submitting it to the Advisory Board for the Research Councils.

TV maker wins Scottish offshore exports award

OSPREY Electronics, which makes underwater television equipment, has won the first Scottish Offshore Export Award.

The award, to be made annually, is for the most outstanding export performance among Scottish-based companies serving the offshore oil markets. It is sponsored by the Scottish Development Agency and the Aberdeen Press and Journal.

Osprey, which wins £3,000 towards overseas business travel expenses, started exporting four years ago.

The £1,000 award for companies employing less than 50 people was won by Elmar Services. Formed in July 1981 by two ex-Schlumberger employees, Elmar exports nearly 60 per cent of turnover *and employs 17 people.*

Two £1,000 discretionary awards were also made. Seaforth Maritime's engineering division manufactures saturation diving systems and has been particularly successful in the Soviet Union during the past year.

Webco, once a tyre distributor and remoulder has become a leading designer and manufacturer of elastometric moulded components and coatings for the offshore industry.

ECONOMIC DIARY

MONDAY: EEC Agriculture and Finance Councils meet in Brussels. Cyclical indicators for the UK economy (December). Institutional investment (third quarter). Capital expenditure in the manufacturing and service industries (third quarter — provisional). Manufacturers' and distributors' stocks (third quarter —provisional). Commons gives Hong Kong Bill second reading. TUC and Nottinghamshire miners challenge benefits cuts to strikers in High Court. Australian Royal Commission continues hearing into British nuclear tests in Australia.

TUESDAY: South Wales miners challenge legality of mass picketing. U.S. fourth quarter GNP figures. FT Conference on Pensions in 1985 at Intercontinental Hotel, W1 (until January 23). London School of Economics issues report on the consequences of the abolition of the GLC.

WEDNESDAY: TUC General Council meets. CBI makes 1985 Budget submission. Televising the Lords begins. Space shuttle *Discovery begins first military* mission of shuttle programme.

THURSDAY: NUM national executive meets. Mr Douglas Hurd, Northern Ireland Secretary, to address European Atlantic Group. Bass annual meeting.

FRIDAY: Balance of payments current account and overseas trade figures (December). Sales and orders in the engineering industries (October). Sir George Jefferson, chairman of British Telecom, to address American Chamber of Commerce lunch at the Hilton Hotel, W1.

Lisa Wood on the new aggressive role of the doctors' trade union

Temperatures rise over BMA initiatives

THE BRITISH Medical Association has been a trade union since the early 1970s but is not generally perceived as a radical organisation.

During the last few years, however, it has been accused by the Government of being "*strongly influenced by CND*-type propaganda" and recently of being "near hysterical" in criticisms of plans to limit medicines available on the National Health Service.

While the BMA strongly rejects radical as a description of its activities, the 153-year-old professional body admits gladly to a more aggressive role in issues which it deems important to public health.

"We have changed from being an amateur body run by highly able people into a professional organisation," said Dr John Havard, Secretary of the BMA since 1982. Only five of the organisation's 36 senior officers are doctors while 25 years ago only two—the financial controller and press officer —were not doctors. Dr Havard, a former GP in East Anglia, also trained as a barrister.

In taking the initiative the BMA has provoked criticism such as that which followed its publication this week of a list of organisations, including *religious and health bodies,* with shares in tobacco companies.

Mr David Innes-Williams, chairman of the Imperial Cancer Research Fund, one of those named, was sharp: "The simplistic BMA view of the complexity of financial interests and markets invites a rejoinder that this august body would be better advised to concentrate on medical rather than financial and moral issues."

Dr Harvard side-stepped a direct response: "I am not telling people to sell their shares *in tobacco companies. But we* believe individuals should know where their investments are being made. Then they may perhaps decided to use their muscle as shareholders to influence investment policy."

Several organisations have announced they are reconsidering investments in tobacco companies while some, such as The Royal College of Nursing and the British Heart Foundation, have sold their shares in Grand Metropolitan which has tobacco interests in the U.S.

Dr Harvard, who rejected the observation that many changes at the BMA have occurred since he took office, gave two main reasons for increased BMA activity in controversial areas.

"In the early years of the NHS we were *so heavily in*volved in crises such as renumeration of service that we did not have enough time to deal with many public health issues."

Today, with many practical issues of service dealt with by committees, annual meetings are likely to be a forum for debate on boxing, torture, or—as at the last meeting — sponsorship by tobacco companies.

The BMA in the 1970s was failing to attract members when pressure groups increasingly were questioning doctors' decisions. Membership was about

Dr John Havard: "not making moral decisions"

50 per cent of doctors. Now more than 70 per cent of practising doctors are members and it negotiates on behalf of all doctors in the NHS.

"Doctors wanted us to do something for them and the meeting of that need is a relatively new concept," said Dr Havard.

This has meant the introduction by the BMA of insurance packages for practitioners. Regional officers advise on new legislation and a professional unit at the BMA's London headquarters to lobby parliament.

Specific lobbying has drawn criticism, as in the issue of a limited list of medicines. More generally, it has brought accusations of vested interest.

"One of our major problems is increasing public scrutiny of the way medicine is practised," *said Dr Havard.* "One major task is to inform the public and make sure they have confidence in doctors."

Many moralist groups, he argued, did not hold the patient's health as a priority as in the controversy over whether doctors should prescribe the pill to girls under 16 without parental consent. "We are not making moral decisions. We believe such issues should be in the hands of doctors and not panels of theologians and social workers."

It is a contentious view in a society where a newspaper headline is made by doctors not accepting patients for kidney dialysis.

It is a role, however, that the BMA feels increasingly confident to play while at the same time arguing about resources. Dr Havard, who looks to the near future when the BMA has a membership of nearly 90 per cent of doctors, said: "We and the Royal College of Nursing must be the most effective union outside the TUC."

Scargill hints at softer approach

BY JOHN LLOYD, INDUSTRIAL EDITOR

MR ARTHUR SCARGILL, the National Union of Mineworkers' president, yesterday made a further speech in the North-east which appeared to suggest a softening in his hard line.

Addressing 1,500 miners at Ashington, in Northumberland, where one in three of the 5,000 Northumberland miners have return to work, Mr Scargill said the only way to resolve the dispute was through a "sensibly negotiated solution."

He again refrained from his customary declaration that victory was in sight—warning miners instead that returning to work before a settlement would merely store up problems for the future.

"You can try crawling back to work, going through picket lines, and you will get a situation where management control your lives almost to a life or death situation."

He spent much of his speech warning against splits within the union, saying that these could only lengthen the dispute. He said that the new rule 51—the disciplinary rule to which Nottinghamshire and other areas have objected — had not been brought in to deal with people who did not strike.

He said: "To accept only those policy decisions with which you agree and to reject those with which you don't agree is a recipe for disaster, not only for *the NUM but for any of those* who contemplate breaking away from this union."

The National Coal Board yesterday claimed 218 "new faces," giving a weekly total of 2,870, over 500 more than the previous week's figure and bringing the total for the year to well over 6,000. The NCB claims that 74,000 NUM members are not on strike out of a total of 189,000 (the NUM claims a higher membership of around 210,000).

Some of the formerly strike-bound areas have very substantial numbers of miners working: in Scotland, the working miners total more than 3,400, or nearly 35 per cent. In the North-east, nearly 4,500 brings the proportion to over 15 per cent; even in Yorkshire, the 4,200-plus working miners are nearly 10 per cent of the total.

Mr Scargill has fiercely disputed these figures: he says that only 3,000 Yorkshire miners *are working; only 1,500 in Scot*land and only 4,000 in the North-east. Further, he says that some 200 of those who have returned to work are rejoining the strike, as they are disillusioned with the conditions they find at the pits.

The TUC is likely to end its long period of inactivity over the miners' strike next week. Its finance and general purposes committee debates the dispute on Monday and its seven-man liaison committee is set to meet the miners later in the week.

The TUC is likely to condemn the moves by Nottinghamshire to prepare the area's 30,000 mineworkers for breakaway from the nation union but this is liely to wait until the meeting between the TUC and the NUM leaders. Senior TUC figures have been privately in touch with the Government over the past weeks but they have not convinced ministers of the need for further talks.

● A planned meeting of the Notts area executive was called off yesterday. It was planned to discuss contingency measures for running the area as an independent union if, as expected, it is expelled by the special delegate conference on January 30, Mr Roy Lynk, the area's acting general secretary, said there was no need for a special meeting since a schedule meeting would be held on Wednesday.

John Lloyd on proposals to alter the miners' national executive

NUM shapes for a battle over structure

THE NATIONAL Union of *Mineworkers is, as Mr Neil* Kinnock, the Labour leader told the Parliamentary Labour Party on Thursday, being "split from top to bottom." Two factors are at work.

The first is the embryonic development of a separate union, *centered on Nottingham,* as the moderate areas seek independence. The second is the protests, often from the same areas, against proposals to alter the structure of the union's national executive.

The present structure has been fixed since 1944 when the union was formed. The NUM's rule 12 laid down that each of the union's constituent areas with under 22,500 members was entitled to one executive member; those with more than 22,500 but less than 55,000 were entitled to two; those with more were entitled to three.

As many areas have fallen in size, anomalies have arise. Cumberland, for example is entitled to one seat on the executive (occupied by Harry Hanlon) but has a mere 150 miners in a pit which will soon close. The white collar section, Cosa, by contrast, has 16,500 members—and still only one member.

When the Right-wing dominated the executive, however, the political impetus to tackle this was lacking because the smaller areas were often bastions of the right where proportional representation favoured the left.

So, when Mr Arthur Scargill replaced the then Mr Joe Gormley as NUM president in 1982, it was not long before a move to recast the executive came forward.

The 1983 conference in Perth passed a motion calling for the executive to draw up "suitable amendments" to rule 12 to be presented to this year's national conference.

This has been done and a paper laying out the proposed changes has been approved by the executive for presentation to the special delegate conference on January 30.

PRESENT NUM EXECUTIVE STRUCTURE

Area	Membership 31/12/83	Representative
Cokemen	4,546	1
Cosa	16,520	1
Cumberland	757	1
Derbyshire	10,808	1
Durham	11,785	1
Kent	2,363	1
N. Western	7,345	1
Leicester	2,264	1
Midlands	12,263	1
Northumberland	5,514	1
North Wales	1,034	1
Nottingham	31,258	2
Scotland	11,515	1
South Derby	3,084	1
South Wales	21,405	2
Yorkshire	58,565	3
Group No. 1	8,257	1
Group No. 2	3,844	1
Power Group	4,458	1
Total	217,667	23

PROPOSED NUM EXECUTIVE STRUCTURE

Areas	Membership	Representative
Cokemen	4,500	1
Derbyshire	10,700	1
Kent	2,300	1
Northumberland	5,500	1
South Wales	21,000	1
Yorkshire	56,500	3
Cosa	16,000	1
Western	8,500	1
Durham	20,000	1
South Midlands	21,000	1
Scottish	15,500	1
Nottingham	28,000	2
Total	210,000	15

Its central proposition is that the present 18 areas are reduced to 12. This would be effected by:

● Forming a western division out of the present Cumberland, North Wales and Lancashire areas, with the latter area essentially swallowing the other two.

● Merging the Durham area and Group One, which is composed of the Durham and Northumberland mechanics. This is under discussion.

● Merging the Scottish are and the Scottish Craftsmen (Group 2).

● Forming of a South Midlands division out of the Leicester, South Derbyshire, Power Group and Midlands areas, which would mean the Midlands swallowing the small areas.

All other divisions remain the same to give 12 new areas.

This would yield an 18-man executive (including the three national officials) but the paper goes on to propose an amendment to rule 12 so that *all* areas with fewer than 10,000 members would ge one executive member; areas with between 10,000 and 35,000 members would get two and areas with more than 35,000 would get three — yielding a 24-man executive, the same as now.

Clearly, the smaller areas are angry. They argue that the essentially federal nature of the union is being sacrificed to the desire of the left leadership to centralise and control. They are, however, on weak ground: electoral logic favours change.

More is to come. The paper says: "Given recent legislative developments and legal attacks upon the union based on its rules, the union's legal advisers should be instructed to undertake a complete review of the national and model rules in order to remove the anachronisms and anomalies that abound — and that the NEC shal lpresent such revisions for consideration of *conference.*" The internal revolution continues.

Vauxhall 'no beards' deal agreed

By Our Labour Staff

COMPUTER staff at the Vauxhall car plant in Luton have agreed to accept new contracts, which ban lunchtime drinking and "discourage" the wearing of beards.

Three hundred workers, being transferred to Electronic Data Systems, the U.S. computer subsidiary of General Motors, have retreated from strike action, and only a handful are refusing to sign the 16-page contract.

Mr Peter Blanking, the convener for the Technical and Salaried Staff Association of the Amalgamated Union of Engineering Workers, claimed his members had been intimidated to sign the contracts from senior management, and said he would continue to fight for union recognition.

Under the new contracts, the Vauxhall workers will be forbidden to drink alcohol at any time during the working day, including lunchtime.

Beards, which for other EDS employees in both the UK and the U.S. are banned, will be "discouraged" for the *Vauxhall workers.*

Action halted by journalists

INDUSTRIAL ACTION by journalists in the Sunderland, Hartlepool and Croydon chapels (office branches) of the National Union of Journalists in the Portsmouth and Sunderland newspaper group stopped yesterday, but may be resumed at short notice.

The chapels spent Thursday in mandatory meetings in support of the 74 journalists involved in a dispute over new technology at the Portsmouth News. The sessions have only been "adjourned" and the Sunderland chapel has voted to take all-out action if the Portsmouth journalists are dismissed on January 28.

QE2 crew divided over pay and conditions

BY DAVID BRINDLE, LABOUR STAFF

ALMOST HALF the crew of the QE2, the Cunard liner, has agreed to a two-year pay freeze in return for a rise of about *a third in time-off.*

Other crew members have accepted an 8 per cent pay deal for this year alone and no improvement in leave, according to the National Union of Seamen.

The union, which has a closed shop among the 800-strong crew, said yesterday its members on the QE2 had been divided over the issue of pay or leave in recent negotiations. Ultimately, it had been decided to pursue two separate paths.

About 350 catering staff, stewards and others dealing directly with passengers had opted for an improvement in the current system of leave. This is three months on and a month off. They wanted a system of two months on and a month off.

The other 450 members of *the union, working in deck,* engine-room and kitchen jobs, had expressed preference for a cash deal. They had won an 8 per cent wage rise.

Next year the union will negotiate only for the latter 450 crew. Those who chose enhanced leave, which is thought to be worth at least 12 per cent in terms of the pay bill, will be eligible for a cash supplement either this year or next only if inflation rises above 8 per cent.

The union said its members working with passengers had felt the need for extended periods ashore because of their long hours and the pressures of dealing with the public.

Dimbleby settles 18-month dispute with print union

BY DAVID GOODHART, LABOUR STAFF

THE LONG-RUNNING dispute between broadcaster Mr David Dimbleby's newspaper group and the National Graphical Association has been settled.

The dispute started over a plan to make two NGA members redundant from the Richmond and Twickenham Times in 1983. It led to the transfer of the printing of the paper to the non-union TBF printers in Nottingham and to the subsequent secondary action with the National Union of Journalists.

A statement from the company yesterday said: "At the time that Dimbleby Printers Ltd ceased printing the Richmond and Twickenham Times series of newspapers the company said it hoped to make an ex-gratia payment to its former employees if the business recovered. The NGA has now accepted the company's proposals for achieving this and the dispute is therefore over."

The agreement means the Dimbleby papers are now off the NGA "black list" and can be printed at union firms. This increases the chances that the printing of the papers will be moved from TBF later this year.

*Although Mr Dimbleby's dis*pute with the NUJ effectively ended last September, he only committed himself then to moving from TBF in October if "commercial, financial and other practical considerations permit."

● Redundancy letters that have gone out to approximately 90 management staff at Mirror Group Newspapers are offering terms averaging about £36,000.

The unions at MGN are pushing the publisher, Mr Robert Maxwell, to *confirm in writing* that he is committed to the principle of no compulsory redundancy.

Action likely in hospital cleaning row

By David Brindle, Labour Staff

UNION officials believe that health authority leaders will next week act against OCS Hospital Services over the standard of its cleaning of strike-hit Addenbrooke's Hospital, in Cambridge.

If the company loses the £725,000 a year contract to clean the hospital, it will be seen by the unions as a spectacular blow against the Government's policy of forcing health authorities to put ancillary work out to tender.

OCS has been given until next Tuesday's meeting of the Cambridge Health Authority to effect a "substantial improvement" in cleaning standards at Addenbrooke's. A panel of authority members is due to inspect the hospital on Monday.

Union officials, who have been leading *a strike of domestic staff* at the hospital since OCS took over last October, believe that the improvements recently made by the company will prove insufficient to satisfy the authority.

If this is so, the authority will meet the board of the Office Cleaning Services Group, the parent company. There could then be financial penalties imposed on the contractor or a decision to relieve it of the work.

Two developments this week have not *helped the cause of* OCS: first, a BBC television programme revived allegations of the company's use in the past of child labour at Addenbrooke's; second, a local newspaper reported yesterday that a couple visiting a patient at *the hospital* had ended up scrubbing a floor and unblocking a sink on a ward.

In addition, the local community health council has repeated criticisms of cleaning standards at the hospital.

Meanwhile, talks aimed at ending the domestics' strike continued this week under the auspices of the conciliation service Acas.

Ninth tug defendant named

BY OUR LABOUR STAFF

A DISTRICT official of the Transport and General Workers' Union has become the ninth individual to be named in the Bristol tugboat colsed-shop dismissal case.

Mr Ted Johnson ,the union's full-time organiser for docks in the area, has been named as a codefendant in the action being brought against Cory King Towage.

Cory King, which is accused of dismissing unfairly three tugboatmen who refused to join the union after a ballot to set up a closed shop, had already named the union and eight of its employees at the time as co-defendants.

Any damages won by the three sacked tugboatmen would be awarded against any or all of Cory King, the union and the nine individuals.

The dismissals are believed to have been the first following a successful closed shop ballot under the Employment Acts 1980 and 1982. However, a formal closed shop agreement was not signed at the time.

THE WEEK IN THE MARKETS

Prices charging ahead regardless

LONDON
ONLOOKER

No matter how well the week finished it was certainly a dreadful start on Monday for the equity market. The Government took the lead over interest rates by reintroducing the Bank of England's Minimum Lending Rate — last seen in 1981 — at 12 per cent in an effort to defend sterling. Higher rates gave sterling some respite during the day but still the pound closed at a new low against the dollar in London at $1.111. Equity prices collapsed with the All-Share Index falling by 2 per cent by the close on Monday.

But then the market regained its nerve as the pound steadied on foreign exchange markets on Tuesday. The message beaming out of the stock market appears to be that interest rates will not go any higher, sterling will not go any lower and therefore equities should be bought.

That view may well be right, but as long as the oil price remains uncertain there must be some doubt over short term prospects. If sterling started to slip again, or if money market rates signalled another upward revision in base rates equity prices could look very vulnerable as they charge ahead to a point where the 30-Share Index reaches over 1,000 for the first time.

There are those in the City who view the rise of the last few days as crazy even though they admit to being medium term bulls for equity prices. The truth is probably that the rise has become self-feeding; the cause no longer really matters and nobody wants to listen to those with cautionary tales.

Against the tide

While the market was slipping fast on Monday one share was swimming against the tide with outstanding success. P & O's price leapt by 45p, a rise of 17 per cent on the day and limiting the fall in the 30-Share Index to 19 points. The event which caused such a euphoric rerating was the unveiling of the full terms of the merger of P & O with Sir Jeffrey Sterling's other company, Sterling Guarantee, creating a group with a £1bn market capitalisation.

The terms of the deal are two P & O shares plus 55p of 6.3 per cent convertible preference for every 11 Sterling shares. They are not as generous as some of the Sterling enthusiasts had hoped for but by and large they look reasonable enough. Indeed, they could hardly have been sweetened any more for Sterling holders.

As it is, P & O shareholders are facing a 20 per cent earnings dilution. Sterling will be contributing around 25 per cent of combined group profits, but its shareholders will end up with 45 per cent of the enlarged equity on full conversion of the preference. Admittedly the deal looks less inequitable on an assets basis.

Along with the merger came news that Sterling's 20 per cent holding in P & O will be offered to existing shareholders on the basis of a one-for-four rights issue at 300p each which will inject £85m into the new group balance sheet. That should hold the gearing figure down to around 40 per cent, which is better than either group can *currently boast.*

Yet despite the bright-eyed acceptance of the proposals in the City, the marriage of a shipping company with a property developer is not the most logical of combinations. The common factor between the two is, of course, Sir Jeffrey Sterling himself, as head of both groups. The argument for the deal is that the sum of the total will *be greater than its parts because* managerial skills are readily transferable between Sterling and P & O. Presumably that means the Sterling men will ginger up the shipping group.

Certainly Sir Jeffrey has proved himself to be a manager of high quality and P & O shareholders have reasons to be grateful to him. But for his stewardship during the vital months of late 1983 and early 1984 the company might well have disappeared into Trafalgar ownership at a very cheap price. As it is, the group has remained independent and seemingly has thrived.

But that does not mean that this merger is particularly well conceived even though it has been mooted for months. It was initially raised as a possible tactic to defend P & O from the unwelcome attentions of Trafalgar but that reason is no longer relevant.

The collective enthusiasm seems to have got a little out of hand, though if Sir Jeffrey's team proves as dynamic at P & O as many in the City believe, then a rating which puts the p/e into the mid-teens may be justified in the end.

House of Rothschild

Less enthusiasm surrounds the shares of Charterhouse J Rothschild, the financial group of Mr Jacob Rothschild which is changing shape so *rapidly as to leave the market* slightly bewildered and even more disillusioned. On Monday full details duly emerged of CJR's disposal of Charterhouse Japhet, its merchant banking business, little more than 15 months after the foundations of the group were laid by the merger of RIT and Northern with the Charterhouse Group.

Royal Bank of Scotland is paying £155m for the merchant bank along with its associated development capital interests. To finance the deal Royal is launching a one for four rights issue at 210p each. At first sight the price looks a little on the expensive side, valuing Charterhouse around 11 times earnings, but Royal is eager to broaden its base away from its provincial roots and offer a full range of banking services to its corporate customers.

In that respect a merchant bank is essential and Charterhouse seems as good a fit as any. It is hard to imagine that Royal has done its shareholders any harm by the deal though the intentions of Lloyds Bank, which holds 21.3 per cent of the equity, are not clear. Given the target of reducing its stake in Royal to 16.3 per cent, Lloyds may well let its rights entitlement slip by.

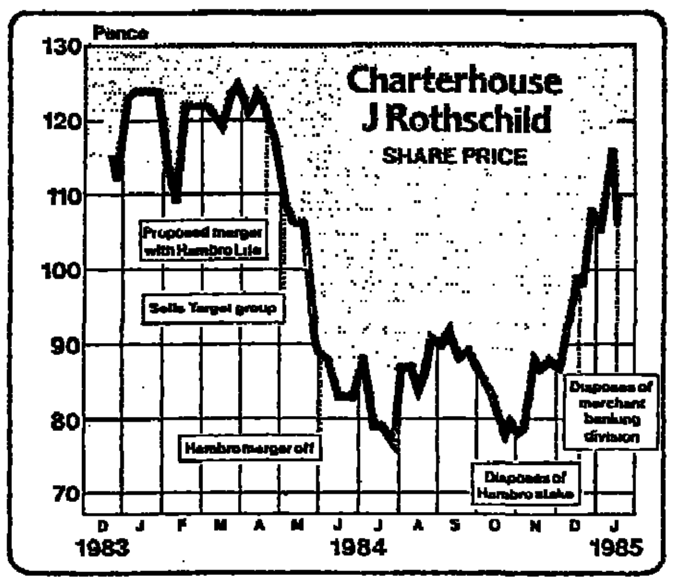
As for CJR, the vision of what is needed to tackle the financial markets of the future appears to have completely changed over the last year. Following the abortive talks with Hambro Life, which eventually went into the burgeoning empire of BAT, this disposal finally ends Mr Rothschild's earlier ambition to create a broadly based financial services group with a significant retail element.

Now having raised substantial sums of cash, it is the group's intention of returning at least part of that to shareholders. Mr Rothschild wants shareholder approval to buy in nearly a quarter of CJR's equity, worth around £100m. The idea is that having deluged the market with paper over the last year or so the group now wants to improve its asset value — which it puts at 128p per share — by buying the shares back in the market.

The asset value must be an increasingly critical figure for the market to consider when trying to appraise the group. Its earnings base has changed so dramatically over the past couple of years that some analysts say that earnings per share are almost irrelevant.

They do not know where Mr Rothschild will take the group next so the only sensible way to rate the share, the argument runs, is to look at assets and then assume a discount similar to that in the investment trust sector to find a proper level for the price. On that basis CJR should be valued at a little less than £1 a share.

The market is facing a run of substantial new issues before the summer to judge by events of this week. Fund managers had already made a mental note that Investors in Industry would be making its public debut fairly soon but they could not have realised that British Aerospace and the Chancellor would combine to lay plans which could leave the City's coffers £500m or so lighter. Nor could they have predicted that Abbey Life, the insurance group, is likely to join the ranks of quoted companies.



British Aerospace

On Tuesday morning British Aerospace called a halt to trading in its shares. The initial reaction was to assume that the Government might be selling part of its remaining holding of 48.43 per cent in the group. The timing of its privatisation programme has obviously been upset by the delay to the launch of British Airways thanks to the continuing legal action in the wake of the Laker collapse. So the temptation for the Government to sell a bit more BAe was clear and some analysts had predicted as much. Others had forecast a rights issue from the group itself.

However, an announcement that the Government intends to dispose of all its shares alongside a forecast of a capital issue from the company that could increase the equity by a quarter is not what market men had thought likely. With the 96.85m shares the Government owns and the group's new issue of up to 50m shares, investors could be faced with over £500m worth of new stock sometime in the spring.

The very next day ITT, the U.S.-based multi-national conglomerate, delivered plans for a series of major asset disposals to reduce its debt. In amongst the operations likely to go is Abbey Life, the second largest linked life company in the UK. Merchant bankers S. G. Warburg and accountants Ernst and Whinney are now looking at ways to float Abbey through a public offering.

From the outside it is almost impossible to judge what Abbey could really be worth. The figures for an actuarial valuation are simply not available but anyway that would only be a starting point. The *goodwill element in the price* could add as much as 50 per cent to the accounting value. One educated guess put a likely value of £400m to £450m on the group.

Investors in Industry, or 3i as it prefers to be known, has been expected to join the market for some while. The specialist lending institution, which is perhaps best known for its support of small business through its ICFC division, is a clear candidate for a listing. At present the equity is controlled by the major clearing banks and the Bank of England.

It would come as no surprise if Midland Bank were putting on pressure for an early offer for sale given the pressures on its own balance sheet and although at least one other bank is said to be showing a distinct lack of enthusiasm for the move, 3i is probably moving towards the slipway for a float before the autumn.

Valuing the business, however, could present the advisers with quite a headache. On one hand 3i is a quasi merchant bank with a full range of services, on the other it displays many of the characteristics of a large investment trust with a high proportion of unquoted companies in its portfolio.

The last balance sheet dated March 1983 shows a *potential net asset base (taking in unrealised investment gains)* of around £500m so if it comes the issue will be a major event.

Terry Garrett

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1984/5 High	1984/5 Low	
F.T. Ord. Index	1004.4	+36.1	1004.4	755.5	Overseas earners lead upsurge
Assoc. British Ports	218	+19	298	162	Newsletter recommendation
Assoc. Newspapers	650	+120	650	380	Still reflecting annual results
BOC	304	+29	309	220	Meeting with analysts
BTR	686	+69	697	407	Dividend & profits forecast
British Aerospace	348	−35	401	216	Gov't to sell stake
British Telecom	132	+12	132	88	Persistent institutional demand
Brown (Matthew)	275	−35	310	208	Bid hopes fade
Bulmer (H. P.)	170xd	+37	233	130	Persistent speculative demand
Eurotherm Intnl.	350	+45	350	220	Better-than-expected results
Fleet Hldgs.	242	+35	242	135	Pergamon stake changes hands
LASMO	353	+20	365	257	Oil expln. hopes/bid rumours
Milford Docks	55	+19	59	28	Speculative demand
P. & O. Defd.	413	+88*	418	240	SGT merger terms
SGB	162	+22	170	110	Good annual results
TACE	425	+22	425	138	Good annual results
Television Services	210	+37	217	102½	Speculative demand
Trident TV A	241	+44	241	120	Agreed bid from Pleasurama
W. W. Group	220	+76	220	130	Bid approach

* Based on price at suspension.

Advancing shares stay far in front

NEW YORK
WILLIAM HALL

WHILE WALL STREET has not been racking up the spectacular performances seen on some of the major stock markets elsewhere in the world in recent weeks, its underlying performance has been much firmer than might be supposed from a cursory glance at the behaviour of the Dow Jones industrial average over the past few weeks.

For much of the latest week the blue chip stocks, which make up the Dow Jones industrial average, have been drifting lower but the broader-based market indices have been telling a different story. The New York Stock Exchange composite index hit new 12-month highs in the first three days of the week and in common with every week so far this year, advancing shares have outnumbered declining shares by a factor of nearly two to one.

On Tuesday, the New York Stock Exchange had its eighth most active day in its history with 155m shares traded and volume has continued strong. In the short term the Dow Jones industrial average is finding it difficult to make a decisive break through the 1240 level but generally analysts are in an optimistic mood.

Although the Dow Jones industrial average remains nearly 60 points below its all-time high, the broader market, as measured by the New York Stock Exchange composite index, is less than a point from its record peak of 99.63 reached on November 10 1983.

On Monday, Manufacturers Hanover trimmed another ¼ point off its prime rate and by Tuesday evening all of the big U.S. banks had followed posting 10¼ per cent primes—the lowest level since August 1983. Banks are now paying little more than 8 per cent for their funds and most money market analysts believe there is scope for further prime rate cuts.

The easier trend in interest rates in the U.S., plus better than expected U.S. money supply figures, has helped the U.S. credit markets, and long term bond prices rose by around half a point in the first four days of the week.

The economic news coming out of Washington this week has also helped bolster the more positive mood now evident on Wall Street. Industrial production rose by a robust 0.6 per cent in December providing further evidence that the U.S. economy is not dead in the water.

This week's data on higher housing starts and capacity utilisation in December also indicate that the U.S. economy is picking up steam again. The one contrary indicator was the December retail sales figures which showed a 0.1 per cent fall when most analysts had expected a 1 per cent increase.

This week has seen the corporate reporting season get under way and the news so far has been generally reassuring.

IBM's figures, as always, were keenly awaited by the stock market. Fierce competition in the personal computer market and a strong dollar could easily trip up the giant but in the event it turned in another solid performance. Fourth-quarter earnings per share rose 16 per cent to $3.55 and for the full year earnings are 19 per cent ahead at $10.77. This is well ahead of the 14 per cent rise in group revenues. While IBM outperformed the Dow in 1984, the stock ended the year only around $1 higher. Following its figures, which were very much in line with expectations, the shares lost $¼, closing at $123⅞.

Apple Computer, its main rival in the personal computer market, reported an eightfold increase in its first-quarter earnings per share to 75 cents but the shares tumbled $2¼ to $28⅛ immediately after the results. Wall Street is expecting some rough times ahead for the computer industry.

The results from the big banks have been much better than expected and fears that the final quarter would see some nasty house cleaning announcements have not been born out. Citicorp, the industry leader, reported a 30 per cent rise in its fourth-quarter net earnings. However, this was not enough to offset a marginal fall in its earnings per share for the full year to $6.45 per share.

Several other blue chips have turned in sound results this week. General Electric posted a 13 per cent rise in earnings per share to $5.03 for 1984 and Westinghouse, another constituent of the Dow Jones industrial average, reported a 20 per cent rise in earnings per share to $3.04.

MONDAY	1234.54	16.45
TUESDAY	1230.79	− 3.75
WEDNESDAY	1230.68	− 0.11
THURSDAY	1228.69	− 1.99
FRIDAY		

YOUR SAVINGS AND INVESTMENTS

Through the maze, simply

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

I read the Guide to the Finance Act published each year by the technical directorate of the Chartered Accountants, but I think that I ought instead to read some publication which is kept up to date. I am only interested in personal tax and in settlements as affect myself, and my children in England. Would Tolley each year be the best answer? An individual cannot afford Simon. And where does one find the answer to such questions as to the distinction between an individual and a person, in tax lore? (see Taxes Act section 30 (3)). Do they refer to one spouse or to the joint declaration of the two spouses—and *in FA 1981 section 58* who is "the holder"? I don't mean that I would ever be able to solve my own problems but it might help me reduce the number of problems and to reduce my inquiries to professionals. Solicitors who have helped me from time to time all seem to have learned the subject at my expense.

UK tax rules are so intricate and arbitrary that it is nearly always easier for us to answer specific questions, based upon particular facts and figures than to try to give generalised replies to broad simplified inquiries. We always prefer to be given too much background data, rather than too little, because one small fact may fundamentally affect the taxation consequences of a situation.

Maybe a book such as the *Allied Hambro Tax Guide* (1984-85) will meet your needs: it is published by Oyez Longman at £10.95 (ISBN 0 85120 873 8).

Under the Interpretation Acts of 1889 and 1978, the word "person" includes an individual and a body corporate, *as well as an unincorporated* body of persons. Section 30(3) of the Taxes Act does not catch the transactions of a (male) individual's spouse. In section 58 of the Act, however, the individual in question may be a married woman (living with her husband).

London fees reflect London rents and other overheads (including London salaries, to provide for travel from the suburbs to be paid for out of net income), so you may get equally good advice at a lower price from firms outside London. Alternatively, local firms of accountants can probably put you in touch with their associates in the UK, and your problems may be directed to offices of internationally oriented firms outside London.

Taxed interest

Earlier this year I bought a *US$ Eurobond and as part of* the purchase I paid an additional $1,250.63 under the heading "Plus 261 days accrued interest." The full interest *for one year should have been* $1,725 but the bank has paid me $1,207, that is it has deducted 30 per cent for Income Tax even though the interest *I have received only covers* 105 days. I have therefore been charged $517.5 on real interest received of $474. Is this something I am forced to accept? If not, how can I proceed to recover the tax of $375 I have paid on the $1,250 accrued interest which I was forced to buy?

The bank is right: the whole of the $1,275 interest is taxable as your income, since you owned the bonds when the year's interest was payable.

The $1,250.63 was merely an element in the price which you paid for the bonds: it forms part of the cost, for capital gains tax purposes.

It is cold comfort to know that tax relief for the accrued interest used to be available (in some cases) but was abolished by *the 1971 Conservative* Government, with effect from 1973-74, on the grounds of administrative convenience.

Unemployment benefit

I am at present claiming unemployment benefit for myself and for my wife.

What are the regulations if: 1—I decide to sell any shares of mine (some show a gain—some show a loss); 2—My wife decides to sell any of her shares (some show a gain, some show a loss).

Would either 1 or 2 affect my unemployment benefit in any way or should any transaction be made would there be no need to inform the unemployment office?

As you will see from the free leaflet NI12 (Unemployment benefit), which is obtainable from DHSS offices, unemployment benefit offices and some post offices, capital gains do not affect unemployment benefit.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Simply an asset

As part of my divorce settlement on my ex-wife, I assigned a life policy to her which normally would mature in 1993. In the correspondence from the solicitor it was stated that the policy would provide her with retirement capital but the assignment itself did not contain any provision for the assignment to be abrogated by e.g. her remarriage or earlier death. Under the assignment I was required to continue *to pay the premiums* until maturity. My ex-wife died in August and I find that she has left all her chattels to her lover and *her money to our sons.* Is the policy regarded as a chattel, or cash? Is it an asset of her estate at all and, if so at what value? Do I continue to pay the premiums up to its maturity (which if it is a chattel I will most strongly resist!)?

The policy is not a chattel nor *is it cash; but it is an asset of* the estate. It is likely, but not certain, that there is an implied term that premiums are to be paid by you only during your *ex-wife's life, in which case* the value of the policy is its current surrender value. As your sons would probably take it on *intestacy (if you former wife did not remarry)* you would probably find it convenient to agree with them either that they should take over the obligation to pay premiums or for its reassignment to you at valuation.

Approaching finance the umbrella way

INVESTORS who want to put all their financial requirements *under one umbrella* now are being offered a choice of companies that claim to provide a financial supermarket.

Most people at present go to their *bank for cash and* overdraft facilities, building societies for mortgages, an insurance company for house and motor insurance, a life company for *pensions, and a stockbroker for* investment. Now, they can obtain all these from one source.

Mark Weinberg of Hambro Life (from now on to be called Allied Dunbar Assurance) *introduced* this type of service 18 months ago with his Financial Management Programme. So far, however, it has failed to capture the market he envisaged.

But this has not stopped other institutions following his lead. On Friday, that doyen of the merchant banking sector, J. Henry Schroder Wagg, launched its operation, Schroder Financial Management.

The basis of the new service, however, is not the merchant banking operation but the life insurance and the unit trust companies, which become the two subsidiaries of Schroder Financial Management.

The drawback of this development is that financial services offered by Schroders are centred on life insurance, pensions and unit trusts. This may be the forte of insurance brokers, but it means that the service has got its priorities the wrong way round.

The most immediate financial needs for most people are banking facilities, followed by mortgage facilities. The service provides these as ancillary services to life insurance and pensions.

So an investor contacting his nearest insurance broker or insurance consultant about the new Schroder service, and seeking *banking facilities,* will probably find himself subject to the full sales pitch for life and pensions under the guise of a complete review of his financial affairs.

The banking facilities are not likely to be an improvement on current arrangements of the investor. The high interest-bearing cheque account pays 10.4 per cent (10.65 per cent for large sums) with a minimum £2,500 account. Cheques have to be for a minimum of £250. There is one free cheque allowed per month. After this, there is a charge of £5 per cheque. The overdraft facilities through the main bank cost 14¼ per cent interest.

The mortgage facility through the bank, though treated in the promotion as an ancillary facility, is much more likely both to attract the commission-hungry salesman and to interest the investor. First mortgages are available for amounts of £20,000 to £150,000. Second mortgages are also offered from £15,000 to £100,000 for up to 75 per cent of value for the first £100,000 and 50 per cent thereafter. Interest rates are currently at 14 per cent basic, rising to 14¼ per cent for higher loans and second mortgages. This is well above the rates of the clearing banks.

Eric Short

Cold potatoes give food for thought . . .

BY WILLIAM DAWKINS

Unlisted Securities Market

SEVERAL warehouses full of cold-stored potatoes might not be thought entirely exciting fare for USM investors.

Yet, *handling and pre-*packing potatoes for multiple food retailers is the most important single source of business for Whitworth's Food *Group, the fresh fruit and* vegetable distributor which announced its USM debut this week in what is becoming an increasingly popular sector of *the junior market.*

Apart from Whitworth's, 10 food manufacturers and suppliers are quoted on the USM. Four of them went public in the past year, and eight are currently trading above their issue prices—a rather better score than on the USM in general where 76 out of the full complement of *270* stocks are trading below their flotation prices, according to stockbrokers Hoare Govett.

It would be hard to identify a single reason for the sector's apparent buoyancy since it includes companies as diverse as Meadow Farm Produce, a supplier of meat to the catering trade: Freshbake Foods, the inappropriately-named frozen food business: and BioIsolates, the controversial developer of a process for turning whey into edible protein.

There is, however, a common thread running through the USM's most successful food companies. They tend to supply specialist products — as opposed to bulk commodity items — to powerful customers, often helped by the fragmented and weak nature of their smaller competitors.

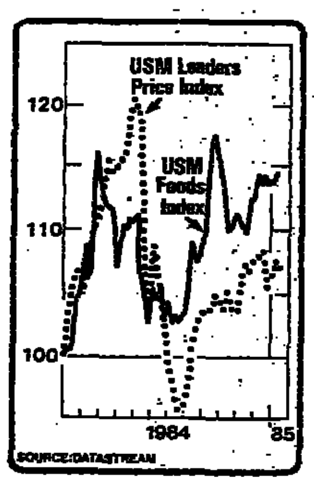
Examples include Meadow Farm, specialists in supplying *precisely-cut, high-quality* meat to big companies like Grand Met and Whitbread; and Hunter Saphir, suppliers of fresh foods, vegetables and prepared *recipe dishes to Marks* and Spencer and most other supermarket chains.

Hunter Saphir, whose share price has risen by 44 per cent *since its June flotation,* appears the closest comparison ton hWitworth's.

It is no accident that Scrimgeour Kemp-Gee — also brokers to E. T. Sutherland and Freshbake — set Whitworth's placing price at 18.3 times historic earnings, almost exactly the same rating on which Hunter Saphir's shares were offered for sale last year.

For both companies are benefiting in similar ways from the important changes now taking place in the fruit and vegetable trade. As anybody who has paid a visit to the local supermarket recently will have noticed, the big chains are attaching more importance to fresh produce.

"Fresh produce is being seen as the flag-waver for the perceived quality of the whole store," maintains David Nolder, Scrimgeour's food expert.



The multiples are taking a growing share of fresh fruit and vegetable sales at the expense of small greengrocers, market stalls and farm shops. Mintel, the market research group, estimates that the big stores *account for 32 per cent of a* fresh produce market worth about £2.7bn. And trade figures show that the number of independent UK grocery stores *almost halved to 16,000 in the* 10 years to 1982.

Clearly, any company with a foothold in selling fresh produce to supermarkets can look forward to an active future.

The bigger suppliers, meanwhile, still can look forward to building up their own muscle. Nolder estimates that the combined turnover of the four major fruit and vegetable distributors—Hunter Saphir, Whitworth's and, on the full market, Albert Fisher and Glass Glover—is less than £300m annually, which suggests they have a joint market share of around 10 per cent.

The fragmented nature of the other 90 per cent indicates that it would not be surprising to see the likes of Whitworth's and Hunter Saphir making heavy use of their USM shares on the takeover trail in the years ahead.

Having the last laugh

MINING

KENNETH MARSTON

"THEY'VE never had it so good," you might say, looking at the sharply increased December quarter profits that have been announced by the *South African gold mines this* week. Some, such as **Buffelsfontein** have hit all-time records as they changed their dollar revenue into low-value *South African rands.*

Practically all the mines have done well from low graders like **Loraine**, youngsters such as **Deelkraal** and **Elandsrand**, to *the more mature and good grade* properties such as **Randfontein, Western Deep**, and the splendid **Vaal Reefs**. The pattern follows that of the Gold Fields group *in the previous week.*

Of course, there have been some exceptions: mines such as **President Brand, Western Holdings, Unisel** and **Winkelhaak**. Even these have earned more at the pre-tax level, but their net profits for the quarter have fallen, or shown little change, simply because their tax charges have risen as a result of a reduction in the tax-offsetting capital expenditure.

Then, too, some mines have received lower gold prices than others as a result of selling their gold forward in order to protect themselves against any fall in the rand price. **Western Areas**, for example, obtained only R16,410 per kilogramme against the going rate of around R19,400.

Still, such mines are continuing to sell part, at least, of their expected future gold production at acceptable prices. **Stilfontein** — which had the benefit of an increased half-yearly dividend from its subsidiary in the latest quarter—has sold its production up to next September at prices ranging up to R22,982, a little above the present level.

Many mines are increasing their dividends. This week **Vaal Reefs** has raised its 1984 final to 740 cents, making a year's total of 1,340 cents against 1,195 cents for 1983. **Elandsrand** has lifted its 1984 total to 50 cents against 40 cents and **Western Deep** has moved up to 450 cents from 425 cents.

All too good to be true while the dollar price of gold continues *to languish?* Well, "yes and no," but "yes" if you happen to be a UK shareholder. Vaal Reefs' final a year ago of 610 cents was then worth 345p, but the *latest* final of 740 cents is now worth only 287p. When exchange rates get out of line someone has to lose and the dollar has had the last laugh.

● Some losers will be gathering on Tuesday at the Golden Ballroom of the Sheraton-Perth Hotel in Perth, Western Australia. Mostly Australian shareholders of the struggling **Seltrust Holdings**, they will be asked to dance to the tune of proposals by **British Petroleum** for the future of the latter, company in which it has a 75 per cent majority interest.

These involve BP taking over Seltrust with its non-gold assets *and liabilities. The minority* holders would then have a choice of shares in a new company holding the gold interests and some A$8m (£5.8m) cash, *or a straight* 54 cents cash (about 39p) per Seltrust share. The latter were originally offered to the Australian public at A$2.50 in 1979.

Not all of the minority holders think that the rescue operation is as fairly based as BP says. They also resent the latter's warning that if they do not accept the proposals the company will be liquidated and *they may be worse off.* Whatever the outcome—it will be reported in our mining column—it is hardly the way to ask an unhappy partner to dance.

GOLD MINES NET PROFITS

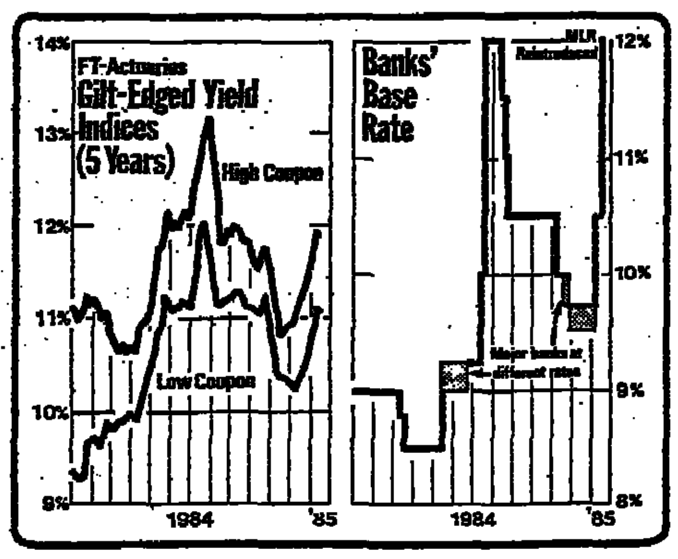
	Dec quarter R000s	Sept quarter R000s
Blyvoor	16,569	15,527
Bracken	3,057	2,905
Buffels	69,961	51,851
Deelkraal	13,039	10,961
Doornfont	17,125	16,097
Driefont	114,838	93,979
Durban	†1,219	‡3,286
Ergo	19,800	13,931
ERPM	34,790	†8,250
E. Transvaal	5,225	4,706
Elandsrand	36,913	29,188
FS Geduld	28,144	28,744
Grootvlei	7,841	6,437
Harmony	33,781	25,279
Hartebeest	30,380	26,579
Kinross	17,431	15,324
Kloof	58,859	46,586
Leslie	5,131	5,289
Libanon	12,315	9,535
Loraine	11,763	7,571
Marievale	1,047	910
Pres Brand	44,808	65,468
Pres Steyn	29,950	30,995
Randfontein	75,448	45,933
St Helena	21,861	18,148
SA Land	2,477	1,190
Stilfontein	24,541	6,320
Unisel	11,130	12,806
Vaal Reefs	129,841	92,465
Venterspost	4,774	3,325
Village Main	269	247
Vlakfontein	940	786
W. Rand Con	2,475	2,079
Western Areas	18,072	16,210
Western Deep	108,151	82,930
W. Holdings	36,892	61,467
Winkelhaak	16,687	16,615

† State aid overclaimed.
‡ After receipt of State aid.

YOUR SAVINGS AND INVESTMENTS

Locking into high returns

The ingredients of sterling's weakness have not changed, says PHILIP STEPHENS, and this week has been an *action replay* of July



STERLING CRISES have become such a familiar ritual in the City that even the youngest foreign exchange dealers can justly proclaim themselves veterans.

Nor is there a need to remind those of us with mortgages of the painful squeeze on our incomes which follows the inevitable rise in interest rates to halt the pound's slide. The *building societies will quickly* do that.

For those with cash to invest, however, the aftermath of the latest storm could provide a welcome opportunity to lock in to a high rate of return.

This week's events did have a greater sense of theatre than past crises. The Bank of England *found itself dusting off* Minimum Lending Rate for the first time in over three years to push base rates up to 12 per cent. Whitehall squabbled over *who was to blame for mis-brief*ing the Sunday newspapers.

As for the dealers, they tuned in to Woman's Hour on BBC radio to hear Mrs Margaret Thatcher *giving* her view on where the pound should be.

The ingredients of sterling's weakness had not changed much, *however. Worries over* the oil price, the strength of the dollar and the suspicion that the Government was taking risks with its inflation policy *added up to compelling reasons* to sell the pound.

The response—a two-stage rise in base rates—was an action replay of last July.

This time, however, there is a feeling in financial markets that the impact will last much longer. There is little optimism that the Government will be able to *repeat the rapid ratchet*ing down of interest rates which followed the July episode.

With forecasts that a falling oil price could put further pressure on sterling in the *spring, it is* not likely to feel inclined to take risks before the March 19 Budget.

This brings us to the opportunities for investors. The key question is whether interest rates have peaked and how long they are likely to stay at their present level.

The *initial* reaction of the money markets last week was that rates could well be heading higher. By Friday, however, an uneasy calm had returned *after a steadier few days for* the pound.

The most frequently-heard assessment then was that although there was still a risk of *another crisis—with oil the most likely trigger*—it could be that interest rates had reached a plateau.

At the same time, because there was little expectation of any immediate drop in rates, investors could afford to take time before deciding to commit themselves to the present rate structure.

So where should you be putting your cash (presuming of course that you are not confident enough to put it all into equities)?

The first answer is a negative one. It should not go into any fixed interest instrument which was based on the previous level of interest rates.

The 29th National Savings issue, for example, which offers 8 per cent net of tax should be shunned in the expectation that, once building society rates go up, National Savings will have to offer something closer to the 9 per cent provided by the 28th issue.

Unless it moves quickly to increase the general extension rate (currently 8.28 per cent) on the 19th issue, holders should consider cashing in certificates when it approaches its five-year maturity date.

The building society accounts which offer fixed returns over a year may also prove a good bet once the societies have set their new rate structure.

Finally there is the gilt-edged market. The charts show the upward shift in gross redemption yields for both low coupon stocks (for high rate taxpayers) and high-coupon issues (for non-taxpayers) since Monday's base rate rises.

It is hard to imagine yields going significantly higher unless inflation takes off.

However, many in the market were advising investors to hold off for some time yet. It is not clear how far yields have fully adjusted to higher short-term *interest rates and to the expecta*tion that the Government will be an aggressive seller of new stocks over coming months.

Once the market does stabilise investors may find attractive yields being supplemented by a *healthy capital gain.*

And among favoured stocks? Stephen Lewis of Phillips and Drew was last week recommending the Treasury 2 per cent 1988 *index-linked as a safe bet for* the risk-averse. Brian Draper of James Capel favoured the conventional 3 per cent Treasury 1987.

•

George Graham writes: National Westminster Bank's new Special Reserve Account, a high interest deposit account *for sums over £2,000, shoulld* avoid the problems of locking into an immobile interest rate.

"We aim to keep Special Reserve interest rates closely *aligned to trends in the London* money markets," said Philip Girle, general manager of NatWest's domestic banking division, "and wil l review them *regularly to ensure that they* are competitive."

The account initially will pay 11¾ per cent gross, and 12 per cent on balance over £10,000. *When composite rate tax is* applied, from April 6, this will be equivalent to 8.78 per cent and 8.97 per cent net.

Immediate withdrawals can be *made without loss of* interest, but both deposits and withdrawals are made by transfers to and from the customer's current account. No cheque book is issued with the account.

Dina Thomson on those building society blues

Beating mortgage misery

THE TRADITIONAL January squeeze on current accounts is likely to be worsened by the past fortnight's hike in bank base rates. With freezing temperatures inflating heating bills, and building societies set to raise their mortgage rates, you might need to find alternative sources of credit to stave off a temporary cash flow crisis.

If you run into difficulty keping up with either existing or increased payments on your mortgage, you should note that most major building societies *are keen to present themselves* as sympathetic creditors. Circumstances varying from a temporary pinch on your finances to a potentially uncertain ability to pay can be accommodated—provided you keep your building society well informed of your situation.

If, for example, building *society mortgage rates rise in* the next few weeks by 1.5 per cent, a borrower with the Woolwich will see his mortgage payments rise from 11.75 to *13.25 per cent. On a £30,000* repayment mortgage over 25 years, that would mean paying £260.40 net a month rather than £238.80, an increase of £21.60.

The *Woolwich suggests* that, if circumstances demand it, you could extend the repayment term on your mortgage and thereby avoid the increase of £21.60. In *effect*, more of your payment would be going towards interest and less towards capital repayment, but your monthly outlay would remain the same.

This method of easing the financial burden is offered by all the major building societies. But it cannot be applied in the case of an endowment policy, which involves a fixed term and interest-only payments as well as a premium to an insurance company.

An endowment mortgage can *be changed to a capital repay*ment mortgage in an attempt to lower your outgoings; but building societies are unlikely to recommend this as an option. *If your policy has been going* for less than seven years, the surrender value, or paid-up value, of the endowment policy will be low—and, thus, your *premiums will go to waste.*

The Leeds points out that, in its experience, problems with arrears tend to be temporary—a matter of a few weeks to a *few months—and as such*, it could be possible to make interest-only payments on your mortgage.

The suspension of capital re*payments altogether is some*thing the societies are hesitant to do; but, at the same time, they state openly that it can be done. Interest payments on *mortgages are covered* by the DHSS, so in special cases, such as unemployment, it is possible to be making no payments at all out of your own nocket towards *your mortgage.*

For those with a regular income who want to be protected from fluctuations in the mortgage rate, the Woolwich offers a once-a-year adjustment. You are charged the rate that prevails at the beginning of the Woolwich's financial year.

If you believe the higher cost of borrowing is only a blip on the interest-rate graph, and do not want to rearrange your mortgage, there are other sources of credit you should consider.

With base rates at the major clearing banks at 12 per cent, negotiated overdrafts with interest at several points above base still offer relatively cheap credit. The major clearers offer a similar range of overdraft charges and your charges are likely to reflect your record as a bank customer.

Lloyds is unusual among the four major clearing banks in that its overdraft charges can go up to 7 per cent above base, whereas the others offer a 3-5 per cent range.

The alternative to an overdraf t is a personal loan. Overdrafts have the advantage of providing a *safety* net for your cash needs that you ca ncall in and use to varying extents. It can also be *rolled* over, whereas personal loans involve borrowing an exact sum with a commitment to repay within a set period.

The clearing banks have not yet put up the rates for their personal loans and, oncet a loan is negotiated, its rate of interest *cannot change. The true rate* of interest you will be paying on an annual basis is the Annual Percentage Rate (APR).

Midland is offering unsecured *personal loans of up to £5,000* at an APR of 18.7 per cent for a maximum period of five years; or secured personal loans of up to £10,000 for eight years with *a slightly lower inteerst rate* after five years.

The three other big clearing banks offer similar rates of interest on their personal loans. *But Williams and Glyn's has* been quick to raise the rate it charges—it goes up from an APR of 19.7 per cent over two years to 21.7 per cent from *Wednesday—and the big four* clearers are hinting that it will not take them long to do the same.

If your optimism extends to believing that interest rates will stay at current levels for only a month or two, you could consider falling back on your "plastic friends."

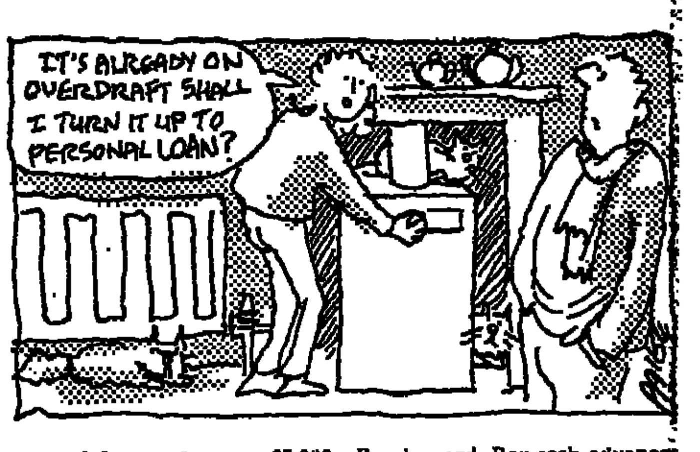
Credit cards offer a period of approximately 25 days' interest-free on purchases made. But bear in mind that cash advances on Barclaycard or Access begin to accrue interest charges as soon as you withdraw money.

The APR is quoted at 23.1 per cent by both Access and *Barclaycard. Ror cash advances,* Barclaycard quotes a slightly higher rate of 23.6 per cent, while the Access rate can vary slightly depending on the bank *through which you hold your* Access account.

An APR of 23.1 per cent compares unfavourably with the rates charged by the major clearing banks for personal loans, which average an APR of between 20-21 per cent over three years. But using your credit card to obtain cash takes no negotiation as long as you are within your spending limit.

Providing you have not been a troublesome customer in the past, it is als onot difficult to have your spending limit revised upwards. But Access and Barclaycard rates could rise in the next few months. Until they do, the most expensive sources of easily-obtainable credit continue to be individual department store charge cards.

These cards make sense if you can pay the entire sum upon being billed or within a couple of months; but as credit cards to borrow money in the longer term at set rates of interest, they ought to be avoided.



Extra slug on house insurance

HOUSEHOLDERS insured with one of the major composite insurance companies, either directly or through their building *society*, can expect to pay another 6¾ per cent for insuring their house. This is in addition to the normal inflationary increase in their premiums.

These composites are lifting the basic premium rates from 15p to 16p per £100 of cover, though they have kept very quiet about informing policy*holders. Commercial Union has* already made the increase in rates from January 1. Sun Alliance, Royal and Legal and General will follow suit at the *start of next month.*

Most other major insurance companies will make their increases sometime later this year.

It is likely that the increases will be phased in to building society block policies—and most householders with building society mortgages still use the society's block policy.

Householders who have been following the fortunes of the company with which they place their household insurance will not be surprised by the increase. Insurance companies have seen their losses on the house buildings account rise steadily through severe winter weather, storms and subsidence.

The companies also state that policyholders are far more aware of their rights under their policies and submitting claims for all kinds of damage, however trivial. Indeed, some claims are made for storm damage when they have arisen primarily from wear and tear.

Insurance companies on their household accounts have only one main source of income out of which to pay claims—the premiums. Interest earned on household premiums is comparatively small, so more claims lead to higher premiums.

The rise would have been to 18p just to get the business back on an even keel. But the building societies used their influence to restrict the increase, offering to renegotiate their commissions with the insurance companies.

Nevertheless, householders may well feel that, when the time comes to renew their house buildings insurance, they should shop around for a lower rate.

Householders with building society mortgages can make their own insurance arrangements with an insurer approved by the society. Brand name insurance companies such as Eagle Star and Norwich Union are still considering their position so they will be charging 15p for some time yet. The Prudential has stated that it will not increase its rate in 1985.

But the company most likely *to attract the attention of house*holders seeking alternatives is Zurich Insurance.

Almost all other insurance companies charge the same premium rate for house insurance irrespective of the situation of the house. They claim that the various risks—flood, storms, subsidence—tend to balance out and that there is no discernable trend in claims for house insurance on a geographical basis.

But Zurich Insurance *says* that insurers can do this differentiation on a broad brush approach. Its proposal form asks questions on age of house, known flooding and subsidence.

This is backed by the local knowledge of the branch on the surveyors at the branch. If it is decided that flood and subsidence risks are low Zurich charges 10p for cover. Otherwise the rate is 15p. The 10p rate still covers all perils.

Zurich says that its scheme has been very well received since it was introduced in June 1982 and the claims experience is satisfactory.

Householders using their own insurance instead of the building societies' block arrangement must be prepared to pay charges to cover the extra administration involved. Halifax Building Society charges £7.50 to check that the insurance meets its requirements—and £5 contingency insurance to cover any subsequent change. Reasonable administration charges are acceptable, but not practices such as seeking recompense for "lost" commission.

Eric Short

YOUR SAVINGS AND INVESTMENTS

Clive Wolman looks at a new type of trust for those over 55

A 'give-away' to beat the taxman

IF YOUR age is on the wrong side of 55 and your total wealth on the right side of £120,000, you should take a look at a new type of scheme to avoid capital transfer tax launched this week.

Norwich Union Life Insurance *Society and the investment* management company Touche Remnant, are offering a scheme which allows you to "give away" part of your capital to avoid tax. But you retain control of its ultimate destination and have access to a regular income from it.

The Flexible Family Trust is a variation on the so-called inheritance trust which, over the last three years, has attracted great popularity as an off-the-peg CTT avoidance scheme.

The conventional inheritance trust allows you to make a loan of the capital you do not require in the near future. The capital you have lent to the trust is then invested normally in a single premium insurance bond, so that the value of the trust property steadily rises. If you require an income from the capital you have loaned, you take this in the form of a repayment of no more than 5 per cent of the loan each year.

The attraction of the scheme is that the investment returns on your loan accrue to the trust outside your estate. They can thus be passed to your children free of CTT and without using up your 10-yearly £64,000 CTT exemption or your annual £3,000 *exemption.* Since the 1981 Finance Act, the interest-free loan you make to the trust no longer counts as a partial gift.

You have the right to change at any time the beneficiaries of the trust. If you change your mind and want the trust property back, you can even appoint yourself as the sole beneficiary provided the trustees agree (and they ought to, as you appointed them on the understanding that they would be compliant).

One of the drawbacks with the inheritance trust scheme, however, is that you and your children or other heirs only begin to benefit after a lapse of several years, when the investment returns have accumulated. If you were to die shortly after setting up the scheme, your heirs could not benefit. In fact they would have to bear both the tax and the costs of setting up the scheme.

The Norwich Union-Touche Remnant scheme seeks to overcome this drawback by the use of a whole life insurance policy which is taken out as soon as the trust is set up. The policy will pay out the sum assured, which is equal to the full value of the trust assets (including the loan), plus any bonuses, whenever the donor dies. The premiums for the whole life policy are paid out of the assets of the trust and where possible, out of the returns from investing the loan.

On the death of the donor or "settlor"—or when husband and wife together set up the trust, on the second death—the trustees repay any outstanding part of the loan to the estate. But the proceeds of the whole life policy are paid to the settlor's beneficiaries free of any CTT or CGT.

One advantage of the scheme is that the annual loan repayments—which can be used by the settlors to replace the income they previously derived from the capital they have loaned—is not limited to 5 per cent of the original loan each year. The settlor can adjust the repayments according to his requirements at any particular time.

But a more important advantage is that the benefits of the life policy take effect immediately. So, for example, even if you were to be killed in an accident the day after setting up the trust, your heirs would receive the full sum insured. Such a provision, however, means that the scheme can only be used by people whose life is still insurable. If you are over the age of 75 or in poor health, you are unlikely to be able to enter.

One further advantage of the scheme is that the settlor has the direct power to change the beneficiaries of the trust. He does not have to make his decisions through trustees, even if they can be expected to behave like puppets on a string.

But the scheme has one major drawback. The settlor has the power to replace the initial beneficiaries by any others if, for example, he remarries or has a bust-up with his children. But he does not have the power to return the trust property to himself.

For this reason you should only put into such a trust money you can be sure you will not need in any foreseeable circumstances. If your total wealth is only, say, £100,000, you should steer clear of this scheme in favour of a more flexible one if you aim to avoid CTT on the top slice of your assets.

There remains a small risk that, for example, you could suffer an illness requiring the treatment of a specialist private practitioner when the cost could run into hundreds of thousands of pounds. In those circumstances you might expect to throw yourself at the mercy of your children. But if you have any fears of suffering a Lear-like fate, you should take additional measures such as buying private medical insurance.

The value of the life policy pay-out will depend partly on the Norwich Union's future investment performance and its bonus record. Recently, it has marked up one of the best records in the industry.

The portion of the trust assets which have not been paid in policy premiums will be invested by Touche Remnant, a City house managing £2.5bn of assets. Investments of less than £40,000 will be managed in a portfolio of unit trusts. Touche Remnant's recent investment record, particularly of its unit trusts, has been below average.

Norwich challenge stands

Eric Short follows up developments in the battle over insurance maturity values

IN A RECENT article we discussed the action of a leading life company, Norwich Union, throwing out a challenge to its competitors to match its performance on with-profit contracts.

Hugh Scurfield, Norwich Union's general manager and actuary in charge of its life operations, announced record reversionary bonus rates for 1984 in the middle of last month — two weeks ahead of its normal decision date. In front of an audience of journalists, he challenged his competitors to match the returns given by NU over all terms.

NU followed-up this announcement with a country-wide *media advertising campaign* using the theme "Why choose the average, when Norwich Union pays out so much more?" The message was aimed at insurance intermediaries advising clients on the choice of a life company.

Last week's article showed a table of maturity values from those life companies which had declared their 1984 bonus rates. The table below, listing those companies which have announced their rates this week, shows that, so far, Scurfield's claims stand unchallenged.

No life company has yet matched NU's January maturity values, though Scottish Life and Medical Sickness have shown higher percentage increases than NU.

NU's main rivals have, however, still to announce their rates. Equitable Life, Scottish Amicable and Standard Life are among those from which decisions are awaited keenly.

NU's advertising campaign highlights the wide disparity in maturity values between life companies. The table shows that such disparities are wide and that the right choice of life company for traditional business is very important.

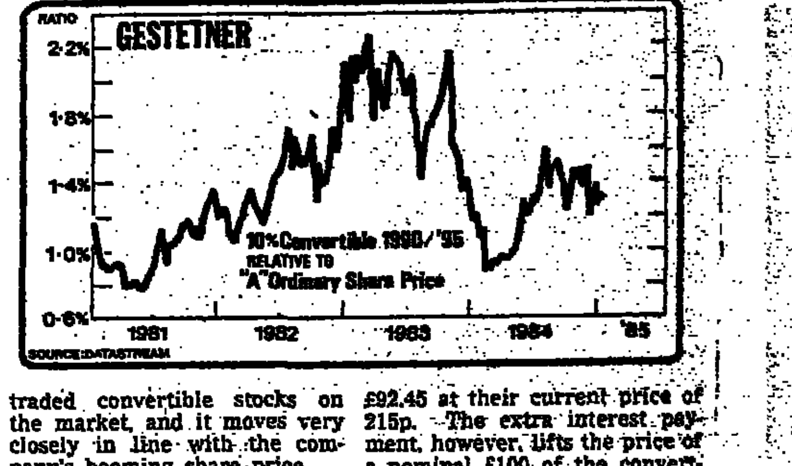
MAN AGED 29 AT OUTSET, PAYING £10 A MONTH GROSS—MATURITY VALUE ON A WITH-PROFITS LIFE POLICY MATURING IN JANUARY 1985 COMPARED WITH A SIMILAR CONTRACT MATURING DECEMBER 1984

	10 years			15 years			25 years		
Company	Jan 85 £	Dec 84 £	Rise %	Jan 85 £	Dec 84 £	Rise %	Jan 85 £	Dec 84 £	Rise %
Norwich Union	2,563	(2,347)	9.2	5,138	(4,706)	9.2	13,606	(12,243)	11.1
Scottish Life	2,335	(2,227)	4.8	4,681	(4,273)	9.5	11,372	(9,940)	14.4
Sun Alliance	2,274	(2,188)	3.9	4,216	(3,907)	7.9	11,864	(11,221)	5.7
Medical Sickness*	2,247	(2,013)	11.6	4,269	(3,850)	10.9	9,987	(9,059)	10.2
UK Provident	2,244	(2,146)	4.6	4,379	(4,182)	4.7	11,985	(11,500)	4.2
Avon Insurance	2,194	(2,029)	8.1	4,074	(3,719)	9.5	10,152	(9,077)	11.8
Crusader Insurance	2,045	(1,999)	2.3	4,061	(3,929)	3.4	10,094	(9,929)	1.7
Royal Life	2,009	(1,906)	5.4	4,058	(3,830)	5.9	9,932	(9,240)	7.5
NEL	1,902	(1,898)	0.2	4,006	(3,995)	0.3	8,522	(8,501)	0.2

* Available only to members of the medical and dental professions.

Somewhat esoteric stocks

George Graham on the varied appeal of convertible loan securities



IT SOUNDS like the best of both worlds — the growth potential of a company share when the market rises, and the support of a fixed interest return when it falls.

But convertible loan stocks—fixed interest securities which the holder has the right to convert into ordinary shares at certain specified dates—can end up varying widely in their appeal.

Two very different stocks, those of Gestetner and Hanson Trust, illustrate the fixed interest and equity aspects of convertibles.

Gestetner's 10 per cent convertible was issued in 1975, and it has been possible to convert into shares since 1982. But because the company's share price has slumped, very few holders have chosen to exercise their right to convert. At current prices it would cost more than twice the normal price to acquire Gestetner shares through the convertible route.

The stock is therefore valued purely for the interest it pays. And as stock with a face value of £100 now costs only £89, the effective yield is over 11 per cent.

Hanson Trust's 9½ per cent convertible, by contrast, is one of the largest and most widely traded convertible stocks on the market, and it moves very closely in line with the company's booming share price.

£100 face value of the stock can be converted into 160.7 ordinary shares between now and 2001. But this nominal £100 will currently cost you £513, very nearly the same as buying the same number of ordinary shares directly at 328p. And the nominal 9½ per cent interest rate is reduced to an effective 1.9 per cent, virtually the same as the dividend paid on the ordinary shares.

More usually, however, a convertible will reflect a combination of factors: the yield on the loan stock, the dividend on the related share and the price of the share. Because the interest payment provides support in the event of a drop in the share price, the convertible will usually cost more than the number of shares to which the holder is entitled. This margin is known as the conversion premium.

Take McCarthy and Stone, for instance, a builder of retirement homes which in December issued £16.7m of convertible loan stock paying a nominal 7 per cent. £100 face value of the stock can be converted into 43 ordinary shares between 1988 and 1999.

The 43 shares alone are worth £92.45 at their current price of 215p. The extra interest payment, however, lifts the price of a nominal £100 of the convertible to £117, a conversion premium of £24.55, or 26.8 per cent. The effective yield on the stock is reduced to 5.98 per cent.

For the company, a convertible can offer a means of raising funds with lower debt servicing costs (because of the share option) than for a straightforward loan. What is the attraction to the investor?

If you are keen on a company's growth prospects, but worried that it might come a cropper, a convertible can be a good way in, because the interest payments provide insurance against the risk of a severe fall.

But convertibles can be somewhat esoteric—only a handful have their prices published daily in the Financial Times, and it can be a daunting task for the individual investor to find details such as conversion terms for the stocks on the market.

In addition, the bulk of many convertible issues tends to end up tightly held by the large financial institutions. "There is specialist interest, but the stocks tend to be relatively illiquid," said Peter David of stockjobbers Pinchin Denny and Co.

That sale of the century: **George Graham** reports

Players and stayers in BT

SEVEN WEEKS ago, we took a look at some of the investors who applied for shares in British Telecom — the stock market sale of the century.

Since then, the price of BT partly-paid shares has soared from 50p to 125p. But most of our investors have stayed loyal and have not sold out for quick profits.

Forrest Melville is one of the true believers. He applied for shares the day he received a prospective and has not felt the slightest temptation to sell out, even for a 150 per cent profit.

Melville was a little disappointed not to receive all the shares for which he had asked — 1,600 for himself and 2,400 for his wife — but his stockbroker still was recommending British Telecom when the price reached 103p, and he thinks he might possibly buy some more in the next couple of months.

A consultant to an American company, Melville works in the telecommunications field himself, and he looks forward to getting good inside information, on British Telecom through its shareholder circulars.

"It's a very good buy as far as I'm concerned," he says.

Tom Donoghue is more of a convert to the cause. He intended initially to sell half his shares if the price rose by 30 per cent, but has, in fact, held on to his entire stake.

He now plans to keep his BT shares as a long-term investment, and expects them to go to 260p—double the issue price—when the last two instalments have been paid.

Even at that price they might be a good share to buy and retain. "I know people who work in British Telecom and they say in the past 12 months they have been working twice as hard as ever before." Donoghue says. But with the present management he believes there is room for even greater gains in efficiency.

"My only mistake was that I didn't apply for all the members of my family," he adds.

Another stayed is William McFarlane, of Glasgow. "I've no desire to sell—in fact, I wouldn't even know how to do it," he says. "I'll just leave them cooking."

McFarlane has tried from time to time to summon up some interest in financial matters, but now he does not even look for the BT share

The scene at the Stock Exchange when BT shares went on sale for the first time

just turns me right off."

Has the Telecom issue turned McFarlane into a confirmed sharebuyer? He now thinks he *might consider buying shares* in the Scottish newspapers, the Daily Record and Sunday Mail, when they are floated off from the Mirror Group; and will definitely consider the Trustee Savings Bank when that is launched.

"I'm in the TSB, anyway, so when the time comes I probably would buy . . . now that I've become a capitalist," McFarlane says. "I've got to follow my destiny."

But Myer Joseph disposed of his BT shares straight away when they reached 91p. "I sold them before I had the shares in my hand," he says. "I was scared stiff for a day."

Joseph was not tempted by the *offers of commission-free* dealing from over-the-counter firms. "I went through my usual broker. I don't want to deal with quacks."

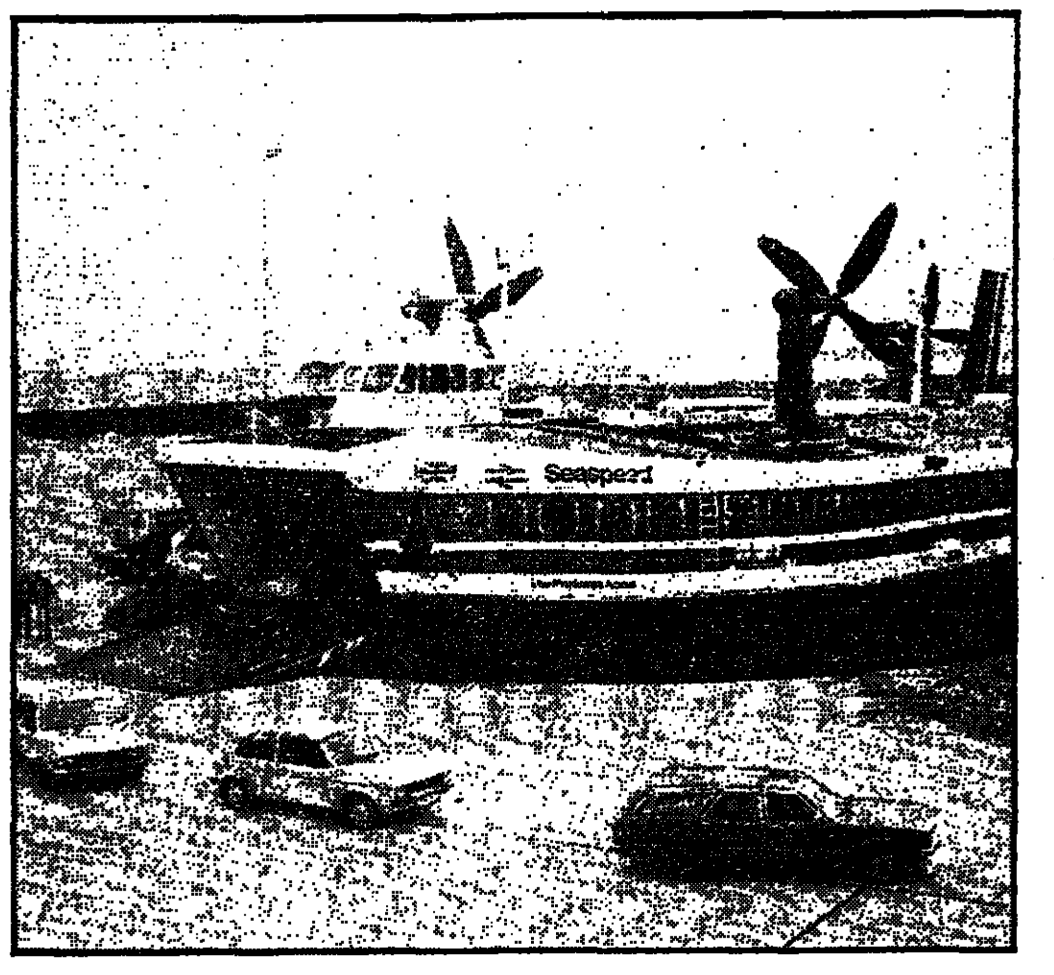
His far of getting poor at his age is greater than his desire to get rich, Joseph says, but now he is beginning to spread his assets around. "I've discovered they don't make


THE SPREADSHEET IS DEAD
OR IS IT?

TAKING YOUR CAR ON HOLIDAY

Currency uncertainties are likely to make motorists selective about their destinations, but driving abroad is better catered for by operators and travel organisations than ever before. JOHN GRIFFITHS reports

Competition pegs ferry rates



WITH THE pound this week excangeable for less than DM 3.5 and under three Swiss francs, UK motorists deciding to travel abroad this year are likely to be selective about destinations, with France—also suffering from a relatively weak currency — an even stronger favourite than usual.

Despite all the uncertainties over currencies, however, there are few signs that the Continent is about to be deserted wholesale by holiday-bound UK motorists in favour of the known conditions in the UK.

Nor is there any sign of the motoring holiday itself, wherever it is taken, falling from favour. An apparent diminishing concern with fuel prices, allied to the great strides taken by car manufacturers in recent years to improve fuel consumption, has helped preserve its popularity intact.

It is not hard to see why. No other form of holiday can provide the flexibility and convenience offered by the car — no lugging heavy baggage round airports, no haggling with *opportunist taxi drivers, and* the amount of personal belongings taken dictated only by the amount of space available in the vehicle.

Nor is there necessarily a financial penalty to pay for taking the car rather than an air-based package tour. While a completely "go it alone" motoring holiday is likely to prove expensive, particularly if hotels are used on an ad hoc basis, a family of four can in fact make substantial savings — *especially if advantage is taken* of the packages specifically developed by ferry and tour operators for motorists.

The travel organisations are forecasting that once again this year about 1m motorists and their families will be loading *up their vehicles and heading* for the ferry ports.

And although the English Channel remains one of the world's most expensive ferry crossings, stiff competition and lower inflation in the UK have meant only marginal increases in rates compared with 1984.

At the same time, the quality of service on board has been much improved under those competitive pressures. Several companies have added enlarged vessels and by summer there may be further improvements yet as the result of both Sealink *and P & O Ferries' Anglo-French* services changing hands.

Also little changed is the complexity of tariff structures. It still requires a good deal of study of operators' brochures to establish the most cost-effective way of making the Channel crossing (or, indeed, those to Scandinavia, Ireland or further afield such as Santander in northern Spain).

Sealink, for example, has tariffs ranging between £18 and £61 for a vehicle of up to 5.5 metres on a single journey depending on the month and even the time of day, the journey is made (driver and passengers' fares are extra, but do not change).

Once again, the small Sally Line appears to have established a clear-cut price advantage over *its* two *larger* rivals on the short cross-Channel routes, as the table below shows.

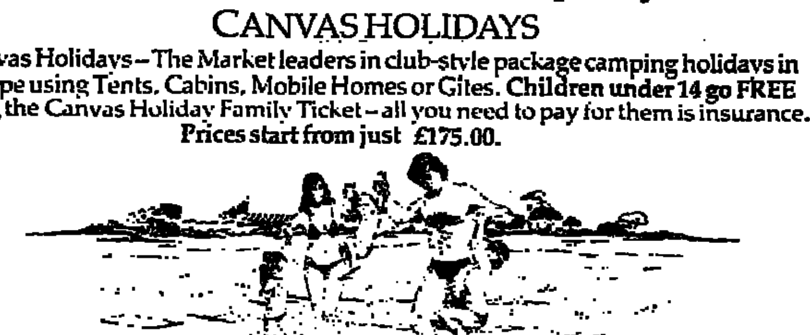
The principal problem is that the Sally Line operates only two ships and one route, Ramsgate-Dunkirk, so although it is increasing its number of sailings to five a day each way during the peak months, capacity is strictly limited.

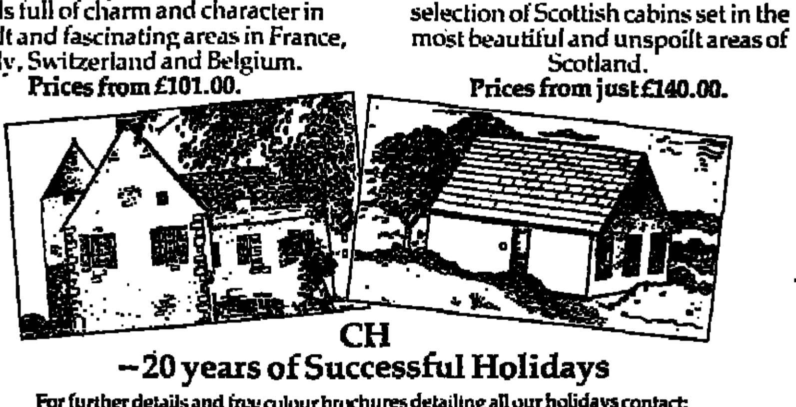
In contrast, Sealink has a total of 25 vessels on all its ferry routes, *while* Townsend Thoresen has 17. In the case of the latter, owned by European Ferries, it remains unresolved precisely what will happen to the cross-Channel operations bought—for £12.5m —from P & O, which had been *making heavy losses on the* routes.

Sealink's additions to its fleet this year include the 9,069-ton French ship "Champs Elysees" which, with its capacity for 1,800 passengers and 330 cars, is the largest on the short Channel routes. It is being used on the Dover-Boulogne service Sealink reinstated at the start of this year, having been withdrawn in 1982.

As part of a number of new ferry activities this year — following Sealink's purchase from British Rail last autumn by the Sea Containers group — it is also launching new services from Portsmouth and Weymouth to Cherbourg and the Channel Islands in the spring.

In addition, virtually all the companies make special offers for short breaks rather than full-scale holidays.





Package deals grow

THE RANGE of package deals now being offered to motorists is considerable, ranging from cheap camping holidays to route-planned tours taking in top-grade hotel accommodation en route — and even allowing the holiday maker to change plans half-way through, and change the accommodation schedule without penalty as long as the hotels involved can cope.

As an example of what is on offer:

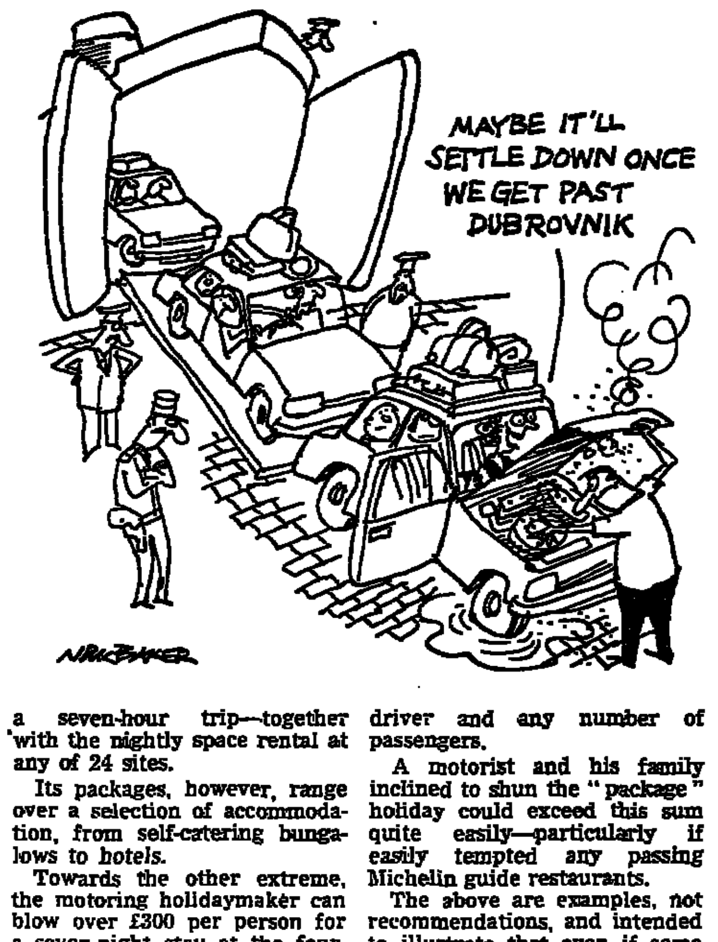
Hoverseepd has devised a series of "Freedom of France" packages, based on small two-star hotels within the French Climat group of which there is a choice of 90. Included in the package is the return crossing by Hovercraft, accommodation with private "facilities" (not spelt out is whether they automatically include bathroom) and Continental breakfast.

The company pre-books the first night, and provides vouchers for subsequent hotels *depending on where the holi*daymaker wishes to travel. In the mid-Junet o mid-September period, prices are a basic £221 for a car and two adults, and a child staying in its parents' room £107.

Hoverspeed is offering simi*lar packages but at hotels* higher up the price range, through links with the Best Western and Mapotel groups.

At the real bargain basement end of the market, ferry operator Olau Line is offering camping holidays (bring-your-own-tent) in Holland *for much* of the spring and summer at £55 a head for a week, with no charge for children under four and a 25 per cent discount for children of four to 15.

A second week is £28 a head, and for the money the return Sheerness-Vlissingen car and passenger fare is included—it's a seven-hour trip—together with the nightly space rental at any of 24 sites.



Its packages, however, range over a selection of accommodation, from self-catering bungalows to hotels.

Towards the other extreme, the motoring holidaymaker can blow over £300 per person for a seven-night stay at the four-star Hotel Splendid, deep in France's Auvergne, under a Lord Brothers package. This, however, is for ful board and includes return car ferry for driver and any number of passengers.

A motorist and his family inclined to shun the "package" holiday could exceed this sum quite easily—particularly if easily tempted any passing Michelin guide restaurants.

The above are examples, not recommendations, and intended to illustrate that even if some of the sense of adventure has gone out of motoring to the Continent, so, too, have a lot of the uncertainties and inconveniences.

What it costs in August

	Metro family of four† Peak	Metro family of four† off-Peak	Sierra two adults Peak	Sierra two adults off-Peak	Rover family of four Peak	Rover family of four off-Peak
Sealink	154	118	150	108	188	138
Townsend Thoresen	152	118	150	108	188	138
Sally Line	128	88	134	90	162	108
Hoverspeed	184	167	170	151	222	201

*Return journeys spanning more than one day.

†Calculated on two children travelling aged 4-14. Children under 4 travel free on Sealink and Townsend Thoresen.

‡1st child under 14 travels free; group rates available for five in a car.

ROUTES:

Sealink: Dover/Folkestone-Calais/Boulogne; Dover-Dunkirk.

Townsend Thoresen: Dover-Calais.

Sally Line: Ramsgate-Dunkirk.

Hoverspeed: Dover-Calais/Boulogne.

USEFUL GUIDES FOR THE GLOVE BOX

"Guide des Logis" (for small, relatively inexpensive hotels throughout France). Free from French National Tourist Office, 178 Piccadilly, London, W1.

Relais guides. French National Tourist Office (up-market accommodation guide covering all Europe, including UK).

Michelin "Green" guide. Retaile bookshops.

"Country hotels, Guest houses and restaurants 1985. Price £2.25 British tourist authority, Thames Tower, Black's Road, London W6 9E. (Free at de Parture Ports to tourists from abroad.)

England Holidays '85. English Tourist Board, 4 Grosvenor Gardens, London SW1W 0DU, and travel agents

Holiday UK. Travel agents.

Those unplanned bills

MISHAPS can take many forms: car breakdown, its theft, or theft of its contents; accident, which may require the car to be brought home by a motoring organisation, leaving holidaymakers—if uninsured—to make their own way home with a holiday ruined, or worse, in hospital with daunting medical bills to pay.

Another problem can be unexpected illness before a holiday which can lead to its cancellation, or carefully drawn-up schedules can be ruined by ferry delays or cancellations.

Fortunately, the insurance schemes devised by the motoring organisations, the Royal Automobile Club and Automobile Association, and other specialised motorists' help concerns such as Europ Assistance, have been refined over the years to cover almost any eventuality.

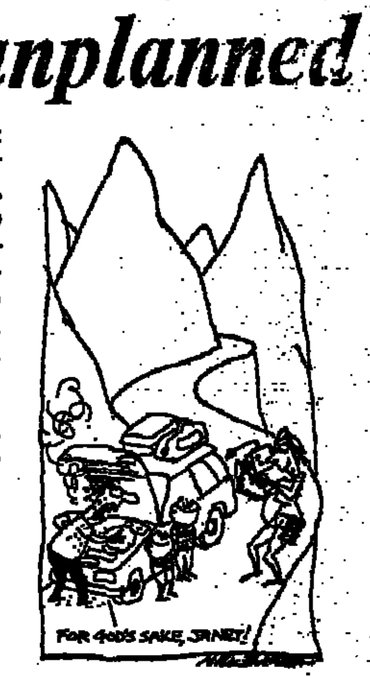
The AA's Five Star insurance scheme provides a good example of what is available, and at what price.

Included, for example, is up to £65 for a towage fee for for the vehicle to be taken to the nearest garage in the event of breakdown; and no limit on the cost of arranging for spare parts to be delivered.

If local help is not available, an emergency centre which can be telephoned organises a rescue operation anywhere in Europe. There are provisions for car and occupants to be returned home if it is unusable for the holiday.

If the car has to be left behind for repairs, costs of up to £250 will be met for a driver to collect it subsequently.

Should the only qualified driver be declared medically unfit to drive, up to £750 is provided for a chauffeur. And there are a number of legal benefits, such as the provision of a bail bond for Spain — where it is rather too easy to land in jail



Most important, there is no limit set on medical expenses if the worst should happen and there is a major accident.

One of the most recent additions to such services is the provision of the insurance "green card" required by a UK motorist travelling abroad.

Costs obviously vary according to an individual's precise requirements and the holiday's duration. But, for example, the AA charges £19.50 for basic vehicle security for trips of up to 31 days, with personal security costing £8.95. The motoring organisations, it should be said, impose a small additional fee (£2.50 in the case of the AA) for non-members.

Since an estimated 5 per cent of policyholders require assistance of some form or another, such schemes are not so much an option as vital.

Insurance against mishaps is all very well but there are times — and just as likely they will be half way up a mountainside or miles from anywhere at dead of night — when a piece of paper saying you're insured is no help at all (particularly if the last telephone passed was five miles back).

So no matter how expensive or how new the car, it pays to have to hand, or at least in the boot, some basic replacement parts.

You may not be able to change a microchip or wrestle with the increasing array of other electronic fitments under the hood, but it is still the less sophisticated items, such as fan belts and water hoses which fail most frequently.

A basic tool kit is an essential, even if it does mean throwing out the extra folding chair. But for some time now, the holiday motorist has not needed to be a mechanic capable of drawing up his own list of spares.

Instead, the motoring organisations have a well-developed scheme for renting out pre-packed replacement parts kits for almost any car. For well under £1 a day, even for non-members, they provide a returnable boxed set on which a £25 deposit is paid.

If a part from the kit is used, the renter pays for the part itself plus a small fee for the repackaging involved.

Two other important items for the boot are a gallon container of water (how else do you fill up if it's a hose that has gone?) and a warning triangle to indicate that you have broken down, which is now compulsory in many countries.

Some breakdowns are unavoidable, but both the AA and RAC continually stress that a great many more can be averted through pre-planning. It makes a great deal more sense to have the car serviced and checked over comprehensively in the UK, at UK labour rates, before leaving than to pay unsocial hours labour rates in a country such as Switzerland, where the franc-sterling relationship this year is disadvantageous to the UK holidaymaker, to say the least.

This applies even if you do have breakdown insurance, for there is no cast-iron guarantee that a garage will not require cash at the time (even if you can reclaim the money later).

It is also a good idea to make sure that all those in the vehicle know where its documents are, and that one person at least has a spare set of keys. And not least, one member at least should keep a large-denomination banknote in hand —for the really bizarre emergencies that no one can predict.

Better service in UK

THE ADVANTAGES of a motoring holiday within the UK, the ability to do and see more per square mile than probably anywhere else in the world, and without the logistical hassles of taking a vehicle abroad, were offset for many until fairly recently by the disadvantages:

Generally woeful standards at roadside restaurants catering to the motorist (and particularly his younger children). And equally haphazard, and usually expensive, services at hotels.

Hotel prices are still expensive, in particular compared to French counterparts. But competition from air holiday packages, and growing awareness by Britons of just how far UK standards fell short as they came back after taking foreign holidays, have done much to improve standards of food, service and facilities.

There has also been a considerable improvement in the dissemination of information about holiday facilities in the UK and, as with foreign packages, there are now any number of well-developed UK holiday schemes tailored to the motorist.

One of the most useful publications in this respect is "England Holidays '85," published by the English Tourist Board.

It is divided into three main sections, which between them list literally hundreds of holiday options through a wide assortment of companies, ranging from single-centre, basic self-catering accommodation to motoring tours using a pre-booked series of hotels, to activity holidays from archaeology to rock-climbing.

Some have been set up to be bookable through travel agents as a complete service; another large section lists dozens of holiday companies, with a description of what they have on offer, and the information allowing them to be contacted direct.

A third section, complementary to the first two, provides broad descriptions of 12 English regions and their resorts, together with coupons for requesting brochures.

Holiday UK, a non-profit-making organisation which specialises in offering UK holidays through retail travel agents, also offers a wide array of prearranged holidays, ranging from "go as you please" farmhouse holidays—at as low as £8.95 per head per night—to hotels-based touring and even holidays afloat.

Certainly, the irritating prospect of the motoring holidaymaker having to organise his vacation from scratch if he opts to stay in the UK is now a thing of the past.

But for those who still insist on complete freedom, and choosing hotels en route and at random, they would be well advised to go armed with the British Tourist Authority publication "Country Hotels, Guest Houses and Restaurants 1985." *This lists some 330* hotels, guest houses and restaurants which have been

TRAVEL/MOTORING

Beside the sea in Italy

BY ARTHUR SANDLES


Luxury in northern Sardinia . . . part of a hotel complex on the Costa Smerelda

MY FIRST introduction to the Italian seaside came from the driver of a large red lorry from whom I had thumbed a lift on the Swiss side of the St Barnard pass, and who dropped me in Genoa.

More of a philosopher than a tour guide, he lectured me on the foolishness of the northern races in taking life so seriously. Even my schoolboy Latin was sufficient to grasp the import of an Italian theory that only three things in life mattered: "Vino, amore and spaghetti."

There are friends who say I took the message too much to heart.

This year, it looks as if a larger-than-usual number of Britons will follow the roads that lead to Italy. Alarmed by tales of Spanish price rises and Spanish violence, the British apparently are looking to other coastal offerings in the Mediterranean basin.

To be honest, if the prime motivation for moving to Italy is to find a cheaper beach, then look elsewhere. Italy, even by the sea, is a place for travellers who want to do more than shake a little sand from their toes now and then.

Most tour operator brochures will, for example, steer their customers towards the Italian Riviera. Alassio and Spotorno would be my own choices of the bigger resorts, particularly out of the main Italian holiday season. I would also make a point of visiting the Hanbury Gardens near Ventimiglia (a town which is itself one of the most avoidable of the northern Mediterranean coast).

Over the next couple of years we are, I suspect, going to hear a great deal about the Hanbury Gardens. They were created more than 120 years ago on the slopes of Corpo Mortola by Sir Thomas Hanbury and Ludwig Winter.

British green fingers once again are at work on the gardens and a new flowering, if you will forgive an unavoidable pun, is likely and may not go unnoticed among my horticultural colleagues. See them this spring and you will be able to boast that you got there before the TV cameras.

And that serves to illustrate the problem of the Italian seaside—all the real temptations are just a little inland.

It is the islands that present a more alluring coastal fare in themselves. I would go for northern Sardinia for its gorgeous little beaches and rocky scenery (try a villa from the Magic of Italy); Elba, for its sheer prettiness (between £400 and £500 for two weeks, by air, in mid-summer from CIT); or, a peninsula rather than an island; Sorrento for sheer spectacle.

Close to Sorrento, Ravello would be my choice for the best Amalfi coast all-round resort.

If you have a car at your disposal, there is lots to do in Sicily; but the beaches are something of a disappointment and it is certainly not a place for very young children or dedicated gourmets. If you like the thought of less-frequented areas, then think in terms of Calabria.

I must confess to an almost total lack of experience of the northern Adriatic resorts. My feet when in those climes have always moved towards Venice, and everything I have ever read about Rimini and Cattolica convinces me that I have made the right decision.

But there, as elsewhere, I suspect that the plusses of an Italian holiday are apparent—the superb food and wines, the huge depth of things to do and see, the obvious affection of most people for children and, indeed, for visitors. The disadvantages tend to be noise from trains, motorcycles, cars and people, and dust. Petty crime can be a worry, too.

But Italy is lovable in a way that Spain could never be (the Spaniards you admire, rather than love) and life is vastly more luxuriant than in Greece. And anyway, where else can you get the best of vino, amore . . . and spaghetti?

Surcharges: Travel farther, pay more

SUMMER HOLIDAYS are likely to be more expensive this year; that is hardly news, but they need not be as horrifyingly more expensive as at first appears.

Domestic prices, for example, ought not to go up by more than the rate of inflation.

Overseas, the basic rules over surcharges will be that the farther you plan to go, the higher the risk you face of having to pay more. Fuel is bought in dollars, and the estimates of costs made months ago when brochures were prepared have had to be rethought.

Expect fairly heavy penalties to distant places and try to keep them down by booking with operators who have some form of surcharge limitation (usually a percentage or a set sum).

The only company I know of which even this year has retained an unqualified promise of no surcharges is the Travel Club of Upminster.

This is a direct-selling company but is fully bonded, belongs to the Association of British Travel Agents, and also has one of the most formidable reputations in the business for customer satisfaction.

The Travel Club operates mainly to Portugal, Spain, the Italian Lakes and the Tyrol. Its holidays are in considerable demand.

Flair Holidays, a subsidiary of British Airways, has promised that there will be no surcharges on its holidays if they are booked before the end of February. Fliar is on sale through travel agents. It has a reputation for being a competent middle-market operator.

Another airline subsidiary, Blue Sky, owned by British Caledonian, also has guaranteed that its holidays will not be surcharged if they are booked before the end of February.

After February 28, Blue Sky reckons that surcharges "of up to 10 per cent are not only possible but probable."

A similar February 28 deadline hangs over one of the biggest bargains of a'l, Cunard's Dollar Pounder Holidays. For £679, for example, you get a flight on British Airways to New York, three nights' accommodation in a first-class hotel (all transfers included) and a trip back to Southampton in the QE2.

A 10-day trip to Washington early in May looks a snip at £759, and that includes a day tour of New York (with lunch thrown in) before the trip back to Southampton.

Back to nearer spots. Do not be panicked into buying currency for your foreign trip too early—leave currency speculation to the money markets. The French franc, the Italian lire and the Greek drachma seem unlikely to whizz ahead of sterling whatever happens to the dollar.

Famous last words.

Getting a grip on life . . .

BY STUART MARSHALL


The Subaru 1.8 GL estate with on-demand four-wheel drive. Cost: £8,499

JUST AS the Arctic spell began, the Subaru 1.8-litre GL estate car arrived on test. It could not have been timed better.

I always arrange to test a four-wheel-drive of some kind over the Christmas-New Year period because that is when my part of Kent usually gets its first snow. This year, it didn't work out as I had planned. The Fiat Panda 4x4 I used late in December and early January shone as a shopping car, darted nimbly round London, cruised on the motorway at 70 mph with power in hand and gave me around 35 mpg.

But there wasn't any snow. I had to make do with the sodden fields of a Surrey farm to test its traction, which proved amazingly good. It kept going on surfaces so soft they had swallowed up conventional 4x4s, axle deep. The Fiat's light weight stopped it from cutting in and the mud/snow Pirellis gripped well enough to keep it moving.

I have no doubt at all that it would have been just as good in the snow that fell a couple of days after it went back. At £4,390, the Panda is the cheapest 4x4 available. Nothing else gets near it for on-road economy and utility, combined with off-road agility at a bargain basement price.

The Subaru 1.8-litre estate is, like the Panda, an "on demand" four-wheel drive. Normally, it operates in front-wheel drive only. You put the power through to the rear wheels when you need it by pulling a lever.

Unlike the Audi Quattro (or Range Rover), the Subaru doesn't have a central differential to accommodate the different distances travelled by front and rear wheels on curving roads. Thus, it is not meant to be in four-wheel drive on dry roads because it would strain the transmission, wear the tyres prematurely, or both.

But on snow and ice all-wheel-drive may be selected for continuous use. That was how I kept it for days on end and it never even looked like getting stuck. I sought out minor roads and steep gradiants: it climbed them all. A week last Sunday the Subaru was the only vehicle to get up Frant Hill, on the A267, which was littered with other cars in the morning—and I was towing an elderly Marina at the time.

Subaru equips the 1.8 manual estate with a dual-range transmission, giving a choice of 10 forward gears and two reverse. Normally, one uses four-wheel-drive high range on the road, reserving the low range for rough going—or for restarting on a steep hill when pulling a heavy trailer. But four-wheel-drive, low range, almost doubles engine braking.

On cleared roads the Subaru, in front-wheel-drive, was just as impressive. The flat-four, water-cooled engine is a bit growly at low revolutions; but as speed rises it gets quieter and smoother until, at a motorway cruise, it is positively silken. It started immediately after nights in the open at minus-eight degrees Centigrade and returned around 27 mpg in most unfavourable conditions.

The power-assisted steering is excellent; the equipment most comprehensive (central locking, both outside mirrors electrically adjustable) and the interior is up to executive saloon standards. The ride is flat and comfortable, yet the whole car feels as though it is built like a brick outhouse (I think that was the phrase an army friend of mine used).

At £8,499 — cheaper than a Ford Sierra 1.8 GL estate—the Subaru GL would be competitive even without its dual-range, on-demand four-wheel-drive. With it, it's a bargain.

There is even a DL model, mechanically identical but without the posh trim, for £7,699. If you lust after a Range Rover or an Audi Quattro but jib at five-figure prices, the Subaru 1.8 GL could be a real alternative.

* * *

TAKE a tip from the Scandinavians, who treat the kind of weather to which we give the shock-horror treatment as routine. Every motorist carries a soft household brush—ideal for clearing snow off bonnet, roof, boot and heater inlets and from your shoes before you get in. A car interior swimming in snow only creates a demisting problem. In summer, you will find it handy for cleaning the parts that car-wash machines don't reach.

If your screen-washers keep freezing up, get some methylated spirit. It is half the price of fancy additives and more effective. A mix of one part meths to two parts water should cope with the lowest temperatures.

Diesel car owners might like to know that their fuel doesn't freeze. Very low temperatures can, however, make wax crystals form which may block the filter, starving the engine of fuel. The problem is avoided by using an additive. I am using one supplied by Filtrate Oils of Leeds (0532 492 820) called Super Fuelfree. One part in 500 prevents wax formation down to minus 16°C: stronger doses work down to minus 34°C. Renault dealers have a good additive (gasoil antigel). So do French hypermarkets—look in the motoring section—and autoroute garage shops. In an emergency, regular-grade petrol can be added to diesel fuel. Paraffin works, too, but don't tell Customs and Excise I said so.

The best answer is to have an electric heater in the fuel line which should make additives unnecessary.

No, Sir Clive, this isn't it

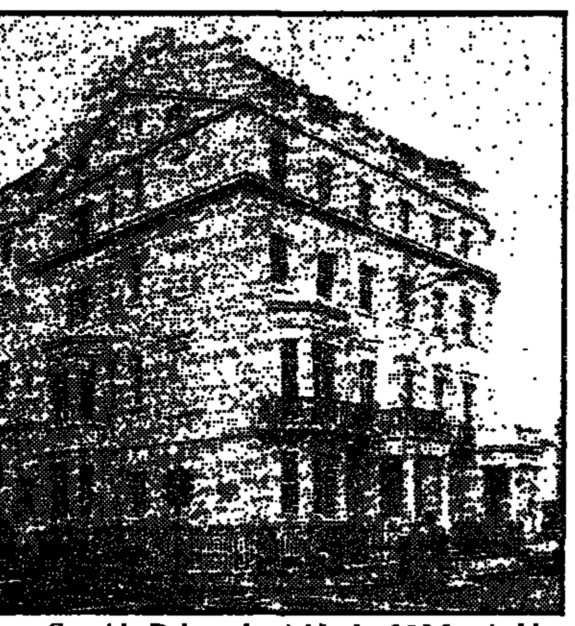
UNFORTUNATELY, I missed the media launch of the Sinclair battery-electric vehicle last week because I was up in a spring-like Scotland trying yet another 4x4, the somewhat agricultural UMM from Portugal.

Sinclair has promised me the loan of one for a week but I think I'll wait for a while because the idea of sitting in an open hip bath on wheels in mid-winter doesn't appeal, even though I suppose pedalling it up hills would help keep one warm.

Whether Sir Clive Sinclair's boast that more than 100,000 of his £399 (plus £29 for packaging and delivery) tricycles will be sold this year is realistic, time will tell. We must also wait and see if the safety fears that have been expressed are justified. All I will say at the moment is that a single-seat open tricycle without the space to bring home a week's groceries is not what readers of this column had in mind when I asked last May: How many of you would buy a battery-electric runabout?

What they wanted, by and large, was a two-seat saloon car with a non-corroding structure, minimal running costs and total reliability. A thing the size of a Fiat 126, made from plastics with a 13 amp socket instead of a filler cap. If Sir Clive could come up with one of those for less than £1,500, he really would run the risk of being trampled to death in the rush of senior citizens waving cheques in one hand and railcards (for all journeys over 20 miles) in the other.

The very best of Belgravia


Chesham Court in Belgravia: A block of 12 freehold vacant possession flats just sold by Ascot Properties near the asking price of £1.5m

PROPERTY

JUNE FIELD

BACK IN 1851, a resident of Lowndes Square was moved to write: "I sing Belgravia! That fair spot of ground, where all that worldlings covet most is found." And Belgravia, named for one of the seats of the Grosvenor family, who still own the major portion of it (some 200 acres), continues to be one of London's best addresses.

Its natural boundaries are Knightsbridge to the north, Grosvenor Place to the east, and Sloane Street to the west. Or, if you prefer an agent's description, "that exclusive residential area between Knightsbridge and Victoria, west of Buckingham Palace."

Belgravia was developed to a master plan of Grosvenor Estate surveyor Thomas Cundy. The major builder was the brilliant Thomas Cubitt (1788-1855), a one-time carpenter who left more than £1m in a will covering 30 skins of parchment, then the longest known. He built Osborne House for Queen Victoria, and later converted Buckingham House into a royal palace.

In 1825 Cubitt had worked on the St Katherine's Dock by the Tower; and he had the ingenious idea of using the earth excavated from there to raise the swampy ground in what was to become Belgravia, where he was responsible for many of the gracious houses of four and five storeys. Servants were in the basement, coach and horses in the mews.

Gone now are the large households as typified by John Hawkesworth's television series Upstairs Downstairs, supposed to be 165 Eaton Place. Most of the imposing dwellings have been converted for multi-occupation. Hudson, the butler would not have approved.

Eaton Square has always attracted the cognescenti. Stanley Baldwin (1867-1947), three times Prime Minister, once lived at number 93 before moving to 11 Downing Street; and Neville Chamberlain (1869-1940), lived at number 37 from 1923 to 1935, leaving two years before he became Prime Minister.

At 9 Eaton Square, a two-bedroom penthouse in one of the elegant houses overlooking the gardens is £115,000 for the 10½-year lease. Ground rent is £9,100 a year, service charge £2,700 and rateable value £1,722 payable at 180p in the pound. It might be possible to negotiate a longer Grosvenor Estates, according to Christopher Ames of George Trollope and Sons, joint agents with Hampton's . . .

figures vary Avril Butt, De Groot Collis, sold a long lease on a penthouse in Eaton Square recently for £1.15m; and Denise Lady Kilmarnock was asking £850,000 (through Knight Frank and Rutley) on her house at 28 Eaton Terrace. For £5,000 premium, the time could be extended for a further 20 years.

No 77 Chester Square, a 12-bedroom, five-bathroom house with a swimming pool, is on offer at £2.35m for the 65-year lease through W. A. Ellis.

One of the most budget-priced Belgravia flats I tracked down was in Eaton Mansions, an impressive red-brick, turreted, turn-of-the-century block in Cliveden Place. Here, a refurbished one-bedroom apartment is attracting considerable interest at £85,000 for a 71-year lease and carpets and curtains. Service charges are around £450 a year, to include porterage. Edna Hunter of Hunter Estates (01-828 2143), calls it the ideal *pied-à-terre*, ready or occupation.

One of the most significant developments in the London market has been the sale of long leases in Lowndes Square where, until now, flats have been available only on seven-year leases at market rentals. (The other major land-owners in Belgravia originally were the Lowndes family, who built the square in 1836.)

Joint agents Allsop and Co, and Farebrothers, are selling the flats for the freeholders, the Sun Life Assurance Society, who are granting new, 75-year leases. The first eight vacant flats were from £160,000 for two bedrooms and two bathrooms, to £850,000 for seven bedrooms and four bathrooms . . . overseas and UK buyers. Some 200 flats will be offered over the next couple of years and, for existing tenants, there are special terms.

The relaxation of user regulations after the war brought an influx of embassies (there are now some 26), to Belgravia. Expected to attract diplomatic and institutional buyers is 40 Belgravia Square, which received conditional consent for embassy use in 1966. Agents Lurot Brand and Beauchamp Estates are expected offers in excess of £2m for the 58-year lease.

It is worth noting that rates payable for this sort of property—with its garaging for seven cars plus chauffeur's flat—are £24,409 a year at present.

Belgravia freeholds are snapped up quickly. An English business couple, with their main home in the country, have just bought one of the freehold cottages in Lennox Gardens Mews for the asking price of £425,000 through De Groot Collis' Knightsbridge office.

For 345,000, you can buy the freehold of a low-built Regency-style house in Eaton Gate. The agents are Beauchamp Estates, who also are inviting offers for the freehold interest of a 13-room house in Chesham Place.

There was fierce competition, both from British and overseas clients, to acquire the freehold of Chesham Court, 17 Chesham Place, with its 12 vacant-possession flats. A Middle East client of Ascot Properties, Gloucester Place, exchanged contracts within 48 hours and completed within 10 days at the end of last month.

"The final purchase price was very near the asking price of £1.5m, and well exceeded the official "break-up" valuation which was between £875,000 and £900,000," . . .

BOOKS

Genius of Gibbs

BY COLIN AMERY

James Gibbs by Terry Friedman. Yale University Press, £40.00. 362 pages

All over the English-speaking world there are churches that are replicas of James Gibbs's St Martin-in-the-Fields. Every one of them is a tribute to the architect who somehow managed the impossible feat of adding a steeple to a classical temple. The form he invented and perfected seems the ideal representation of the Anglican compromise—a union of classical rationalism and Gothic romance.

It is surprising that until the publication of this book there has been no full account of the career of James Gibbs (1682-1754), one of the most singular British architects of the eighteenth century. His contribution to the art of architecture in Britain is so individual that the standard histories find it necessary to see him as an interruption in the story of Palladianism and something of an aberration in the history of English Baroque.

There are two vital things to know about Gibbs. First of all that he was trained in Rome by Carlo Fontana (who was himself trained by Bernini) and secondly that Gibbs was a Catholic Tory. Born in Scotland it is not unlikely that he had Jacobite sympathies, he was certainly not sympathetic to the Whigs and their enthusiasm for Burlingtonian Palladianism. He kept his religion secret, according to Mr Friedman, although his Romanism showed in his ecclesiastical architecture.

Gibbs came back to work in England at the time when the Baroque school of Vanbrugh and Hawksmoor was supreme. In his first important church of St. Mary-le-Strand, the only one he designed as a surveyor for the Commission for Fifty New Churches in London, Gibbs made his first important personal architectural statement. Mr Friedman seems to want the reader to see this church as some kind of excessively Baroque Romish enterprise. It is certainly Romish within but the whole point of the design is that it is Mannerist, more sixteenth-century than Baroque in inspiration. Not until the Radcliffe Library at Oxford does Gibbs again explore such complexity of rhythm—this is something that this author seems to miss.

Gibbs's design for the great column to the glory of Queen Anne is shown—it was intended to stand in front of St. Mary-le-Strand, some 250 feet high with a statue in gilt bronze of the Queen on top. The Queen's death in 1714 led to the abandonment of this Trajan-like column of Stuart achievement and to Gibbs's removal from the Commission for New Churches.

A dislike of Whig doctrine was not going to help Gibbs's career and a certain stylistic modification became apparent. It was for a predominantly Whig committee that he designed St. Martin-in-the-Fields.

The chapter on the creation of the archetype of Anglican architecture is very informative with a good account of the first design submitted by Gibbs for a circular church—a significant development of Wren's designs for St Stephen, Walbrook. This wonderful scheme was rejected on grounds of expense. Instead we have the superb Corinthian portico and the giant order continued within to support the kind of plaster ceiling that we now call Gibbsian. St. Martin's became a pattern for many churches because the elements of its design could be simplified and adapted. The enrichment of St Martin's by the Italian Artari and Swiss Bagutti's stuccatore were also influential. Their Rococo plaster ornament delighted Gibbs who used them frequently, and to great effect, in his country houses.

In the chapter entitled "Immortal Fame" Mr Friedman really comes to life. His enthusiasm for the tombs and monuments that Gibbs created with the Antwerp sculptor Michael Rysbrack in Westminster Abbey reveal a sensitivity to sculpture that is infectious. Here it is most valuable to see the original designs by Gibbs. The highly architectural setting for the classical bust of Dryden is a sad loss, although it may well have overwhelmed the abbey's south transept.

We are taken slowly around Gibbs's country houses by Mr Friedman. They are all sober and grand. Perhaps Ditchley is the most representative of Gibbs at his mature best. It is indeed, "rich though chaste," not quite Palladian but certainly not Baroque. In the ornately plastered saloon at Ditchley, Gibbs provides that particular style of restrained luxury that is now so admired as the ideal of "country house taste." Kelmarsh, Milton, Lowther are all only partial successes—this book is right to point out that it was in the creation of the smaller villas that Gibbs was something of a pioneer. His work for Alexander Pope at Twickenham (the poet called it "a few pleasant rooms") was a prototype for a villa near the city.

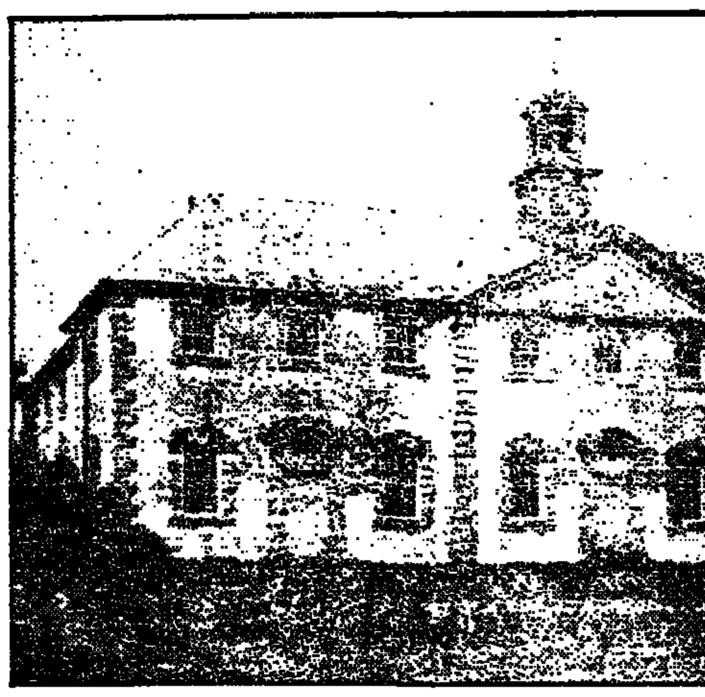
Gibbs's period at Stowe, where he worked with Bridgeman, is chronicled here for the first time in detail. There are many revelations. The move into the Gothick taste and the accomplished creation of the Palladian Bridge show that Gibbs could turn his hand to anything—although always with archaeological solemnity.

The grand Oxford and Cambridge buildings are thoroughly examined. The Gibbs Building at King's, with its monumental Doric portal, is a building of genius—it is fascinating to see the original proposal for three blocks making a new quad with the south side of the Gothic chapel.

Gibbs was himself a propagandist. His book of designs sold very widely and made him a lot of money. He wanted to enable building craftsmen in the country and overseas to be able to copy his pattern-book designs. In his last chapter Mr Friedman tracks down examples from all over the New World—many of which show how successful a propagandist Gibbs was, and will help to sell the book in America.

James Gibbs has grown out of a Courtauld Institute thesis and it has some of the daunting qualities of a massive academic monograph. It is an immensely detailed and researched book that contains hitherto unpublished attributions and drawings that are rarely seen. It is not an easy read, sometimes a description of a building is almost lost in a welter of detail about costs and craftsmen, and the author has clearly found it difficult to delineate the personality of Gibbs. Fortunately one's progress through the maze of this fascinating career is greatly helped by the well chosen illustrations, particularly some of Edward Piper's colour plates.

I felt that the author is more at home with documents than with the buildings and by the end I still did not know why such an individual and yet conservative architect should have had such an enormous influence. Was he just the late fulfilment of the genius of Wren—a brilliant technician who founded no school of his own? All the facts are in this study but, for me, not enough analysis or judgment. In this respect the book is a little like its subject—learned but often somewhat lifeless.

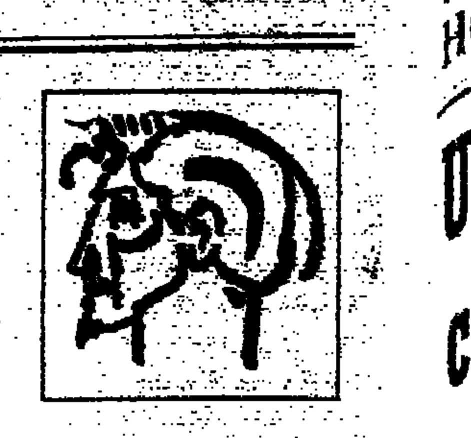


The stables at Compton Verney, Warwickshire, c. 1740, designed by James Gibbs. A new book about the architect is reviewed today

Ezra in love

BY GEORGE WATSON

Ezra Pound and Dorothy Shakespear: their Letters 1909-1914 edited by Omar Pound and A. Walton Litz. Faber & Faber, £25.00. 399 pages



The poet Ezra Pound drawn by Gaudier-Brzeska

"Ezra! Ezra! and a third time Ezra!" Miss Shakespear of Kensington scribbled in her notebook in 1909, when she first met Pound, rhapsodising over his beautiful face and soft curly hair. In return he called her "Grand-daughter of Agamemnon." This collection of their love-letters, edited by their son and Professor Litz, ends with their marriage in April 1914, and it offers a surprising view of a poet whose reputation has been clouded since the 1940s by insanity and the ugly distinction of having been the only poet of the English language to support the Axis during the Second World War. Here is a young Pound, newly arrived in London, whose enthusiasms have not yet turned into cantankerous egotism; still educating himself like mad in European and other literatures after the collapse of his brief academic career in the United States, and encouraged to find a young lady to like him whose mother had once been mistress to W. B. Yeats—the Eagle, as they both called him — and who looked eager to share his love of the Romance languages as well as romance itself.

Well over 2,000 letters between Pound and his wife have survived, down to his death in Venice in 1972. Here we have less than one-tenth of them, fattened out with Dorothy's private notes. If she burned the most personal of them, as the editors surmise, then these are still personal enough. The real trouble is that they lack the sheer stuff of great literary letters, and nobody will want to compare them with the Brownings. But Pound's London years of 1908-20 remain easily his most attractive, humanely speaking, as well as his most creative. As a young American expatriate he was plainly infatuated with the very idea of literary Europe; and the Great War had not yet ruined his judgment with anti-Semitism, militarism or Funny Money. His great talent in London was for talent-spotting, so that he emerges here as one generously untouched by envy. Dorothy Shakespear, who was to make him a perfect wife, seems to have been even more avid for literary education than he, and both were ready to confess their ignorances and inaccuracies — at least to each other. Neither was entirely articulate, perhaps because what they shared was already more than they ever needed to commit to paper; and the editors have piled on the explanatory notes with an abundance that may suggest they sense some inadequacy in their text.

A fortune-teller, or some one, told Dorothy before her marriage that she was too sensitive and that she would live abroad. She certainly lived abroad, after 1920 — mostly in Italy. She seems rather too bouncy to be called over-sensitive. "You can be scholarly: I'll be surface," she wrote gaily to Ezra, correcting his French as she did. This book is the nicest Pound that there is, if also the most trivial, and it shows what we lost through a war that also spoiled D. H. Lawrence.

Fiction

Spinning tall tales

BY MARTIN SEYMOUR-SMITH

Slow Learner by Thomas Pynchon. Jonathan Cape, £8.50. 193 pages

Family Ties by Clarice Lispector translated by G. Pontiero. Carcanet £8.95 (£3.50 paperback) 140 pages

The Apple in the Dark by Clarice Lispector translated by Gregory Rabassa. Virago, £10.95 (£3.95 paperback). 170 pages

Coup d'Etat by John Harvey. Collins, £9.95. 480 pages

Thomas Pynchon, author of *V* (1963), *The Crying of Lot 49* (1966) and *Gravity's Rainbow* (1973), has been greatly adulated as a novelist but never satisfactorily explained. British reviewers have not, in general, been able to understand his work (no account of it has yet rendered it so), but have felt that it would be unsafe to say this. Hence the unhelpfulness of their remarks: "major," "a considerable talent has been at work here," "massive intellect . . . massive creativity . . . monolithically exists."

Now in *Slow Learner* he has collected five stories, the latest 20 years old—two appeared in London under the imprint Aloes in 1977 and 1981 respectively, but that is not mentioned here. These stories, like the three inchoate novels, play about enigmatically with once fashionable ideas. An example is "Entropy," which Pynchon himself criticises in his introduction in such a manner as to lead the reader to imagine that he is "massively learned": "I chose 37 degrees Fahrenheit for an equilibrium because 37 degrees Celsius is the temperature of the human body. Cute, huh?" I think only reviewers have really read these books. Or maybe that is just what they have not done.

Much has been made of Pynchon's "heroic negativity." This sort of thing looms large over two versions of books by the Brazilian novelist Clarice Lispector, who died in 1977 at the age of 52. *Family Ties* is a book of short stories of 1960; *The Apple in the Dark* is a novel of 1961. The first has an afterword and the second has an introduction. The afterword is a gloomy little essay containing a list of books on Sartre and Camus which we are invited to study, as though the year was 1952. The blurb tells us that Lispector is like Mansfield and Chekov, which she is not in the least. Gregory Rabassa provides an introduction to the novel—this version appeared in America 16 years ago — which does relate Lispector to her Brazilian contemporaries and predecessors, but which then tells that her message is that we are unlikely to be "better off" whatever we try to do or understand. It would have been fashionable back in 1952. But Lispector is better than that even if she cannot compete with the Brazilian women writers, Cecilia Meireles, the poet, and Rachel de Queirós, who stopped writing fiction in 1939; she is too self-consciously modish. But her accounts of tense inner lives are often very funny and they have authenticity and a splendid quaintness. In the novel Martin thinks he has killed his wife, and he uses his belief to conform to conventional expectations of guilt. This is comic and original, and is successful despite its too great length. We have Queirós' *The Three Marias* in an English version, so it is good to have this, too. These versions of the stories hint usefully at what Lispector could do in a short compass when she was not trying to impress.

John Harvey: colonels' putsch

John Harvey's *Coup d'Etat*, set in the Greece of the "Colonels" is an intelligent political thriller and love story, with some true relation to its background. The style is sometimes a little embarrassing (a man's hope and love "rises" as his lover is carried towards him in a lift), but the author is never afraid to write understandable sentences or to imply that we might be better off if we try.

Scholars' mates

BY ANTHONY CURTIS

Foreign Affairs by Alison Lurie. Michael Joseph, £8.95. 291 pages

It is a little early in the year for the visiting firemen. To anyone unfamiliar with the term a "visiting fireman" is an American scholar on leave from his (or her) university in possession of a grant which enables him to live in Britain for several consecutive months while pursuing a programme of research.

Two of the main characters in Alison Lurie's entertaining novel *Foreign Affairs* are visiting firemen: one is female, white, Anglo-Saxon, mid-fifties, divorced, expert on children's literature; the other, white, Anglo-Saxon male, mid-30s, temporarily separated from wife, 18th-century expert with special reference to work of John Gay.

Vinnie suffers from a complaint common among American academics in the humanities, acute Anglophilia. She would really like to become English and live near Regent's Park for ever. She has acquired a circle of English friends who all have what to her are glamorous jobs in broadcasting or the theatre. One of them, a successful actress, is the daughter of an earl (a fact that gives Vinnie a little frisson). I should not make Vinnie sound too soppy, because she is quite tough and shrewd for much of the time. It is just that during her sabbaticals, researching into playground rhymes and so on, she finds the life-style of her English friends a blissful change from that of her colleagues on the faculty at Corinth.

But even more to Vinnie's distaste than the majority of her colleagues are those Americans who, coinciding with the visiting firemen, invade Britain in large groups on package tours. Through a nicely contrived irony, it is one of those, Chuck Mumpson from the Middle West, sanitary engineer, early retired with a bundle of stock and a heart condition who turns out to be Vinnie's salvation. She lends him *Little Lord Fauntleroy* to read on the 'plane (everyone in this novel has to have a literary counterpart), and hopes to shake him off. But again, over tea at Fortnum's, and Vinnie, starting from a semi-professional interest in his ancestor-worship, finds curious solace in his gauche honesty. Reluctantly she welcomes him into her bed; and then not so reluctantly.

Mrs Lurie is a specialist in the love-life of the over-fifties and Vinnie's affair rings sadly true; much more so than the parallel affair between Vinnie's younger colleague and the lady actress. I cannot envisage any outside broadcast unit that would permit an unauthorised visitor to wander all over the set during a break in the shooting and accost the star. The whole relationship seems wrong somehow. But it hardly matters because by then we are thoroughly hooked on the fortunes of Vinnie Miner; here the minor is the star.

Quest for missing persons

BY BRIAN AGER

Blood Ties by A. J. Quinnell, Hodder & Stoughton, £8.95, 271 pages

A. J. Quinnell, author of *The Mahdi*, has produced another winner with Blood Ties—but something which is entirely different.

A New York mother is convinced that her son, who has been reported drowned off the East African coast, is alive. She leaves her job as an accountant and sets off to find him.

In Bombay an Indian bookkeeper leaves his job, buys a boat and puts to sea in search of adventure.

They meet, of course, and, along with a tough young oilman and a young woman who stows away in the Indian's boat, set out to find the missing young man.

The bare bones of the plot have been equipped with muscle, blood and a soul by an imaginative story-teller.

The Artful Egg by James McClure, Macmillan. £7.50, 283 pages

"A hen is an egg's way of making another egg." With this great philosophical idea from postman Ramjut Pillay, James McClure launches another crime novel set in South Africa.

Can any book live up to this opening? This one can, with Ramjut Pillay discovering, being suspected of, and helping to solve a murder.

The professional detective work is carried out by Lieutenant Tromp Kramer and Sergeant Mickey Zondi—well-established McClure characters. They are hindered by another hilarious police team, Lieutenant Jones and Gagonk, as they meet again.

With the police wandering in the, to them, alien world of painters, poets, authors and sculptors, this marvellous mystery story is also fun.

One Police Plaza by William J. Caunitz, Anthony Blond, £8.95, 369 pages

If *One Police Plaza* were a video it might suffer the wrath of the police and courts. It is awash with blood, violence and sex.

Someone has obviously advised Mr Caunitz, a New York detective lieutenant, that sex and violence sell books. But with his police background he could have done without these trappings in this tale of murder and corruption.

BRIDGE

E. P. C. COTTER

IF YOU watch an expert declarer, you will see that he often ducks the opening lead. Let us see how important such technique was in today's two hands.

We start with rubber bridge:

```
            N
          ♠ 7 4
          ♡ J 7 5
          ◇ A 6 5
          ♣ A Q 9 6 4
W                        E
♠ K Q J 10 3             ♠ 9 6 5
♡ 8 4                    ♡ Q 10 2
◇ K 9 3 2                ◇ J 10 8
♣ K 7                    ♣ J 10 3 2
            S
          ♠ A 8 2
          ♡ A K 9 6 3
          ◇ Q 7 4
          ♣ 8 5
```

South dealt at game all and opened the bidding with one heart, West overcalled with one spade, and North said two clubs. After a pass from East South rebid two hearts, and his partner raised him to four.

South allowed West's lead of the spade King to hold, but won the Queen which came next, and at once led the club five, finessing dummy's Queen. When this held, he cashed Ace and King of hearts, both opponents following suit, and led his remaining club. This was covered by King and Ace, and the four was ruffed in hand. Now the declarer's last spade was ruffed on the table—notice the perfect timing—and the six of clubs was ruffed in hand.

Crossing with a diamond to the Ace on the table, the declarer returned the established nine of clubs, and East was on the horns of a dilemma. *If he discarded*, he would give the declarer his tenth trick; if he ruffed, the nine of hearts in South's hand would be promoted to winning rank.

This hand looks innocent enough, but it gave the declarer a chance to show what precision timing and expert trump management could do.

Now we look at a deal from a teams-of-four match:

```
            N
          ♠ J 10 8
          ♡ Q 9 8 2
          ◇ A 7 6 4
          ♣ 5 3
W                        E
♠ K Q 6                  ♠ 7 5 4 2
♡ K 7 3                  ♡ 5 4
◇ 5 3                    ◇ Q 10 9
♣ Q J 10 6 4             ♣ K 9 8 2
            S
          ♠ A 9 3
          ♡ A J 10 6
          ◇ K J 8 2
          ♣ A 7
```

With East-West vulnerable, South dealt and opened with one no trump, West passed, and North introduced a Stayman two clubs, South rebid two hearts to show his four cards in that suit, and went four after a single raise from his partner.

The club Queen was allowed to win, but a second club was won in hand. The declarer led the diamond eight — this was most important — to dummy's Ace, and returned the heart nine, which lost to the King. West returned a trump to the ten, and a third trump was won with dummy's Queen.

The declarer led dummy's diamond four, finessing his Knave, dropped East's Queen with his King, and crossed to dummy's seven — now you see how important the play of the eight was at trick three.

Trumps have been drawn, the minor suits have been eliminated. The stage is set for the throw-in. Dummy's Knave of spades is led, West wins with the Queen, and is endplayed. He can make no good return —a spade lead gives South two tricks in the suit, a club concedes a ruff discard.

CHESS

LEONARD BARDEN

BRITISH successes at last month's Salonica chess olympics went well beyond England's haul of gold and silver medals. The Scots men and women took best performance trophies for their rating groups, Cooper (Wales) and Comben (Jersey/Guernsey) were board silver medallists, while Delaney (Ireland) won bronze.

The surge continued at the CGL world title zonal in Brighton, where both McNab of Scotland and Carton of Ireland performed notably well against the English GMs. Carton, a 26-year-old Dubliner unknown in international circles, brought off the upset of the tournament. Few Irish players have ever beaten a strong GM, let alone in such zestful attacking style.

White: M. Chandler (England). Black: P. Carton (Ireland).

Opening: Sicilian Defence (CGL Brighton 1984).

1 P-K4, P-QB4; 2 N-KB3, N-QB3; 3 P-Q4, PxP; 4 NxP, N-B3; 5 N-QB3, P-Q3; 6 B-KN5, P-K3; 7 Q-Q2, B-K2; 8 O-O-O, O-O; 9 N-N3, P-QR3; 10 BxN, PxB; 11 B-K2, P-N4.

So far, a book variation, but Black's last move is more logical than theory's 11 . . . K-R1 which slows down counterplay. When the players castle on opposite flanks and both launch attacks on the king, time is paramount. Here White has a move in hand for attack plus a weakened pawn formation as target; in compensation Black has the simpler strategy, pushing forward the QRP and QNP with queen and rooks in support.

12 B-R5, P-N5; 13 N-K2, P-R4; 14 K-N1, Q-N3; 15 P-KR4?

Losing a vital move. White's thematic plan is P-KB4-5 with KR-B1 and N-B4, pressurising Black at K3, KB3, and KN2.

15 . . . P-R5; 16 N(3)-B1, N-K4.

A direct consequence of White's lapse is that the knight joins Black's attack quickly and plays a decisive role.

17 Q-R6, K-R1; 18 P-KB4? Now too late; White should try to justify his 15th by 18 N-Q4 and R-R3-KN3.

18 . . . N-B5; 19 N-Q4, P-R6!

The start of a forced sequence; Black already plans his knight sacrifice.

20 N-B5, B-Q1; 21 PxB, N-R6 ch! 22 PxN, PxP dis ch; 23 N-N3, PxN; 24 RPxP, Q-B4; 25 R-R3, KR-B1; 26 R-Q2.

Trying to shore up his defences against the file and diagonal threats, but now comes a clever finish.

26 . . . P-R7 ch; 27 K-R1, P-K5; 28 P-B3! B-B1! 29 Resigns.

If 29 QxBP ch, B-N2 and . . . BxP ch.

A miniature from Hastings where Black scores with remarkable speed from a formation considered defensive and passive:

White: V. Ravikumar (India). Black: J. Fedorowicz (U.S.).

Hedgehog Defence (Hastings 1984-85).

1 P-Q4, N-KB3; 2 N-KB3, P-K3; 3 P-B4, P-B4; 4 P-K3, P-KN3; 5 N-B3, B-N2; 6 B-K2, 0-0; 7 0-0, P-N3; 8 P-K4, PxP; 9 NxP, B-N2; 10 B-B3?

Normal is 10 P-B3 when Black sets up his pawns at Q3 and QR3 and manoeuvres his pieces on the two back rows, waiting for a chance to uncurl his hedgehog by a P-QN4 or P-Q4. White's variation looks solid, but provides Black a surprise chance to home in on the weak QBP and KP.

10 . . . N-K1! 11 B-K3, N-QB3; 12 R-B1, N-K4; 13 B-K2, N-Q3; 14 P-QN3, NxKP; 15 NxN, BxN; 16 N-N5.

Now White hopes that a Q6 knight will offset his lost pawn.

16 . . . P-B4! 17 N-Q6, BxP!

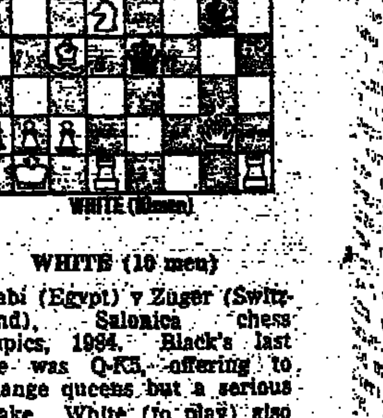
A fine finish which leads to a mating attack.

18 KxB, P-B5; 19 B-Q4, P-B6 ch; 20 K-R1, Q-R5; 21 Resigns.

The winning threats are N-N5, PxB with QxB, and (if BxN) BxB with QxP mate.

POSITION No 551

BLACK (10 men)



WHITE (10 men)

Nabi (Egypt) v Züger (Switzerland), Salonica chess olympics, 1984. Black's last move was Q-K5, offering to exchange queens but a serious mistake. White (to play) also failed to notice the error. What did they miss?

Solution Page ??

HOW TO SPEND IT

by Lucia van der Post

Under cover agents

IT'S a long, long time since thermal underwear was something to be ashamed of. Nowadays glamorous young things are inclined to boast that under their silks and cottons they are sporting the very latest line in warming undies. The sizes that once were geared to plumpy middle-aged figures now emcompass even the thinnest, chicest, shapes and colours come in anything from traditional cream through pink and blue to daring black.

Almost everybody knows the names of the two largest people in the business—Damart and Marks & Spancer—and I'm indebted to Marketing Magazine for the information that they each have about 30 per cent of the market with Damart being the leader in mail order sales and Marks & Spencer dominating the retailing end.

However, now that thermal underwear has become not only a prop of almost every wardrobe but a highly fashionable accoutrement, there is a whole train of smaller manufacturers all aiming to get in on the act.

Thermal, as everybody knows by now, doesn't mean a great deal by itself, other than implying that it generates warmth. The name can be attached to a wide variety of undergarments ranging from those that are simply made of wool, to those made from combinations of wool and silk, but probably it is those that are made from either chlorofibre or Viloft that most of us understand as "thermal." These are bulky fibres whose chief virtue is that they trap air, thus providing useful insulation.

Now that thermal underwear has become so fashion-conscious much of it has become very flimsy (like the camisole and brief set from British Home Stores on the right-hand side of the sketch). Thus in this, the coldest spell many of us can remember for a long, long time, though the fibre may be warm in itself, it just doesn't cover a big enough area to keep all the chills at bay. Fortunately, the really old-fashioned long-sleeved, round-necked thermal vests and long johns are still being made for anybody having trouble keeping warm.

A good name to look out for is George Brettle's Duchess range—it is carried by stores up and down the country (in London the Army & Navy in Victoria Street usually has a particularly good selection) and besides the lighter, more fashionable underwear it also does good old-fashioned wool combinations, bedsocks and bed-jackets, and long-sleeved camisoles. For older people, who have problems with their circulation, they sell fleecy-lined knickers and body belts (for keeping the kidneys warm!).

At Marks & Spencer, too, you can, if you hurry, still find more than the usual lace-trimmed flimsy vests and briefs—there are long johns, long-sleeved vests as well as mid-length pants and short-sleeved vests. Prices range between £2.99 for the vest tops to £3.50 for long johns. New this year is a selection of warm underwear in brushed polyester which are even warmer than the usual thermal range. In pastel colours there are long-sleeved tops and long johns at £4.75 each. These are not suitable for wearing under anything except ski wear or trousers and jumpers. But do hurry—most branches still have selections of these but they are selling fast.

For older people who aren't able to move around very much or for those who are ill there are other aids to help keep them warm.

BRITISH Home Stores still has plentiful supplies of its thermal underwear and the ones sketched here, though perhaps not enveloping enough for really chilly mortals, are light enough and pretty enough to be worn under even quite skimpy evening wear. Left is a short-sleeved vest at £3.25 and a long-legged pantee at £2.75. Right, is a cami-top at £2.99 while the briefs are £2.25. Made from polyester they all come in white, ice blue or peach. Also sketched right are bedsocks made from 60 per cent acrylic and 40 per cent Polypropylene. At £1.75 a pair they come in pink or blue.

Look out for the foot-warmer—it works rather like an electric blanket and looks like an enormous muff for the feet. Fleecy lined, it is heated up electrically and really does keep the feet warm. Harrods sells them in its electrical department for £15.95.

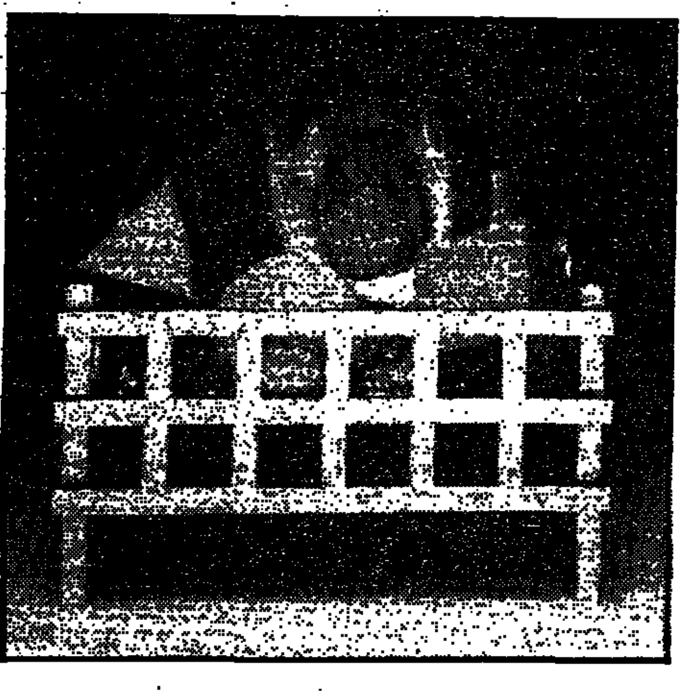
Scholl sells thermal insoles for shoes which not only help keep the feet warm but also help keep out the damp—at £1.25 a pair they are an inexpensive way of fortifying yourself against the weather.

If you have problems with getting the car started, all shops report that car de-icer is selling fast. For the special problem of car locks freezing up there are minature cans of de-icing material which is squirted into the lock—Harrods house and garden department is selling it at 75p a can.

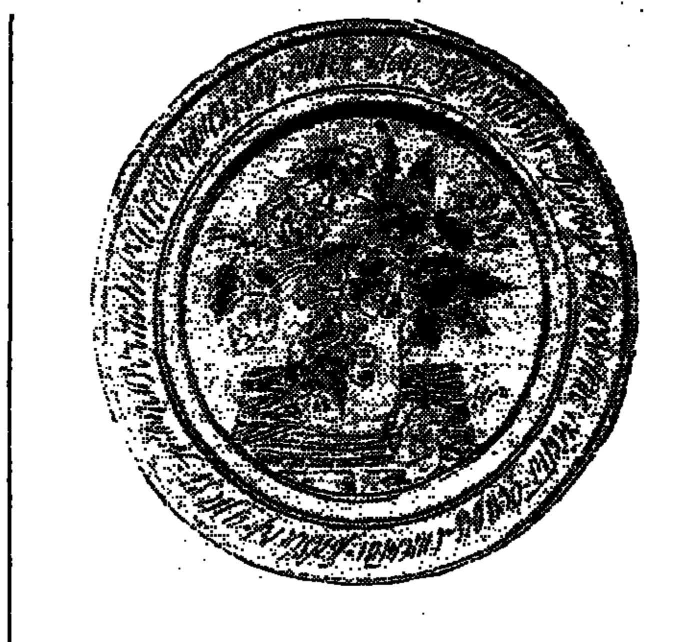
Anybody hoping to pick up some bargains in cashmere in the sales will either have done so or will find it too late—most stores report that sales knitwear has been a complete sell-out—but the warmest elegant socks for men I know of are the 50 per cent cashmere (and 25 per cent wool and 25 per cent nylon) ones sold by S. Fisher of 22 Burlington Arcade, London W1. They come in a wide range of colours, cost £10 a pair (but they do wear much better than the pure cashmere ones it used to sell) and can be posted for an extra £1.35.

Finally, if your path or steps are still icy (like much of the area where I happen to live) a better alternative to salt (which can corode some finishes and surfaces) is Garden Jack Doorstep-De-Icer granules. They should be simply sprinkled onto the ice which it then melts—once melted it will not re-freeze. A 450 g pack, costing £1.85, will treat up to 100 sq ft and it can be found in hardware and DIY stores up and down the country.

Skin needs particular care in weather as cold as this and one of the best ranges to look out for is Piz Buin, well-known to those who go skiing. Its special Wind and Cold Protection cream at £2.75 a tube is one of the best products to look out for as it is particularly geared to deal with low temperature problems and the drying effect of harsh winds. Men should take note that their skins needs just as much protection as women's.



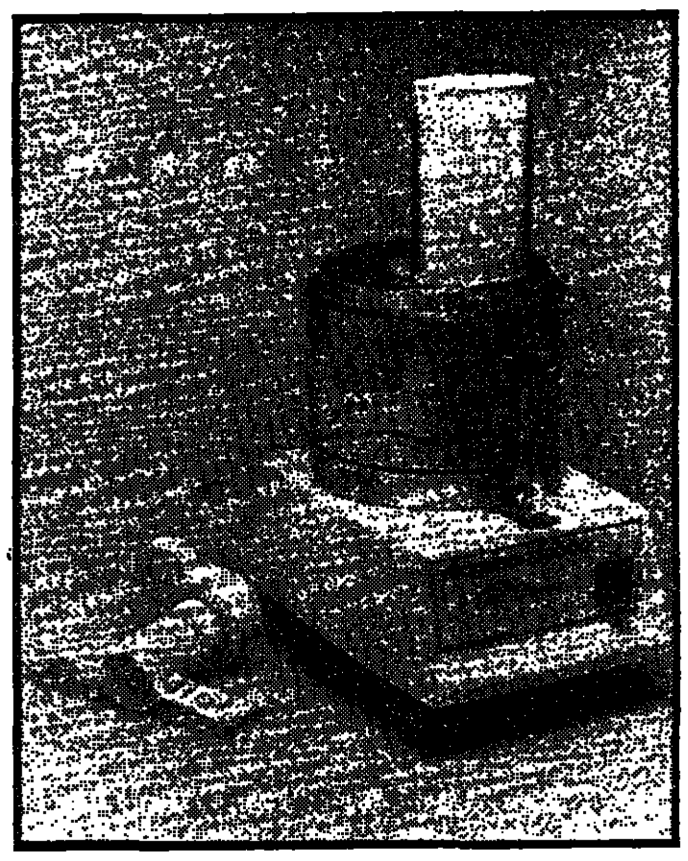
THOUGH the idea of a modern fire seems somewhat incongruous—fire, after all, being one of the most ancient of elements—nonetheless there are those who like even their fires to complement their domestic tastes. For them there is the Geolog gasfire, photographed above, designed and developed by Henry Harrison of Spiromega Architects. It is, as you can see, a very unancient collection of geometric shapes, which fit in an impeccably clean and modern way, into a simple chrome-finished grate. The Geologs (the name for the logs in the grate) are cast in fire-cement and, as you can see from the photograph, come in eight primary geometric shapes. Geolog fires are fuelled by gas and are made to order, costing anything from £300 to £400. For details write to Myriad, 226 Blythe Road, London W14.



Dish of the day

A SMALL pottery worth visiting for those who find themselves in the area is Mary Wondrausch's Pottery at Brickfields, Compton, near Guildford, Surrey. There, from a once derelict barn, now converted into a pottery, she makes her special ceramics in trailed and scratched earthenware. She has become particularly known for *her specially commissioned* plates, to celebrate a birth, a marrigae and any other special event. The colours she uses are mainly 17th century honeys, ivorys, pale indigos and bright light blues.

There is always a selection of plates and bowls and jugs for sale and readers can go to the pottery, watch the potter throwing at the wheel and see how the plates are decorated and glazed. They can also commission a special piece or plate. She mainly uses a standard range of decorative motifs (such as Tree of Life, Bride and Groom, Noah's Ark) and prices are £25 for a 9 ins plate or £35 for the 12 ins size. She also does house plaques (9 ins in size) and these, too, are £25. A small black and white leaflet showing the main decorative themes together with an order form is available to readers by sending an sae to the pottery.



Instant whip

ALL DEVOTED users of Magimix food processors will be *only too well aware of their* most obvious deficiency—their inability to whisk egg whites properly. The existing blade sits too high up on the central spindle for the blades to whisk up small quantities, like a few egg whites. Now ICTC Electrical has brought out just the gadget to deal with the problem—in strong, rigid plastic it lies sufficiently low for it to be able to scoop up the egg whites and whisk them for souffles, meringues, sponges or whatever in a few seconds. For the moment the whisk is just available to fit the Magimix RC1, the Magimix 2000 and the Grand Chef (owners of the Grande Cuisine, or the Grande Famille, will have to wait until next year for a similar device). Buy it for just £8.95 from all Magimix stockists.

Light relief

ONE OF the smallest bedside lights on the market, the Pifco Itty Bitty book light has been designed to enable the avid reader to read in bed without disturbing a partner who prefers to sleep. It is a tiny, very light fitting that clips on to the back of any book (hard back or paper back or, indeed on to a writing pad for workaholics or list addicts).

It can run off the mains or can be plugged into its own battery-pack and it seems to give a strong but not glaring light. The light itself can be directed exactly where required so that it lights up a narrow area and des not spill over into areas where it is not needed. Useful too for travelling or for hotels. It comes in a pack which includes mains adaptor, 8 ft lead and a spare bulb, but not the batteries—it uses 4, 1.5 v MN1400 alkaline. It costs just £18.95 from most good electrical stores or buy it by mail from Electronic World, Failsworth, Manchester.

Good as new

EVER since a few years ago on this page I ran a series of articles called How To Mend It, the flood of inquiries from people wanting not so much to buy something new but to restore something old and treasured, has continued to pour in, I feel sure, therefore, that many of you would like to know that G B Kent of London Road, Hemel Hempstead, Herts (brushmakers since 1977) has recently started offering to renovate antique silver or ivory-backed brushes.

Quite frequently the backs long outlast the brushes and the owners are understandably reluctant to replace them with newer models. G. B. Kent will replace the bristle by hand and can, if necessary, completely rebuild the brush. The prices varies, depending on the size and state of the brush but would-be customers can send the brush to G. B. Kent for a quotation. As a rough guide, a silver brush with seven lengthwise rows of bristle would cost around £27 to restore (including p &p and a new box!). In ivory the cost would be about £22.

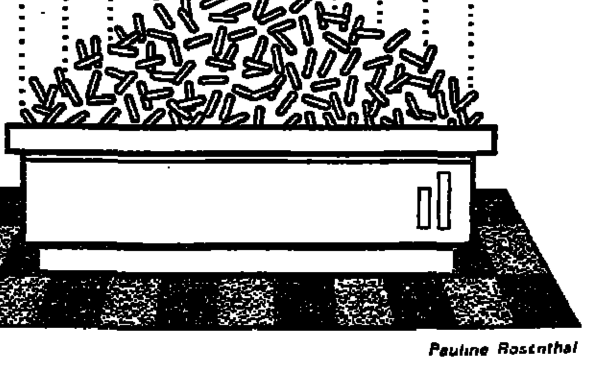
Stop thief

WITH the urban car-owner running a one in four chance of having his car stolen or broken into a device which immobilises it seems like a perfect deterrent. Simba Security sells the Kiljoy Ignition Immobiliser which does just that—when fitted (this takes about 20 minutes and some simple car expertise is needed) the car becomes automatically immobilised as you lock up. Simba Security doesn't claim it is the total answer to all car security problems but for £9.99 it is an inexpensive way of deterring all but the most skilled car thief. Buy it by post from Simba Security Systems, Security House, Occupation Road, Walworth, London SE 17.

COOKERY

Step by step to a perfect risotto

By PHILIPPA DAVENPORT



Pauline Rosenthal

IF I had to choose just one desert island dish it would probably be creamy and fragrant risotto alla milanese. Few dishes are more soothing to eat and none gives me greater pleasure to cook. The charm lies in the simple but perfect harmony of so few and such basic ingredients.

As with all very simple dishes, success depends utterly on using the best possible materials. Good creamy butter, Po Valley rice, fine stock, saffron and freshly-grated Parmesan cheese are essential. Without them risotto is a travesty. Nothing more is necessary although other ingredients can be used to create exquisite variations on the theme.

The only rice to use for ristto is the Italian variety called avorio or arborio which cooks to a creamy consistency while retaining just a hint of bite in the centre of ech grain. Although I believe this is now sold by some supermarekts, I buy mine in Soho on regular pilgrimages to stock up on store cupboard staples which are none too easy to find in the depths of the country—things like 5 litre cans of fruity green extra vergine olive oil, little packets of dried chestnuts and wild mushrooms, varak (edible silver), whole candied citron peel, tiny Provencale black olives and Parmesan cheese.

Of all risotto ingredients, Parmesan needs to be shopped the most carefully. Parmesan, or Parmigiano-Reggiano to give it its correct Italian name in full, is far and away the finest Parmesan is used generically to describe *all* grana cheeses and this had led to considerable confusion.

Parmesan's pedigree goes back to the Middle Ages and its production is governed by strict regulations. Unlike other granas, Parmesan is only made during the seven months of the year when the grassy plains between the cities of Parma and Reggio are lushest and the milk is therefore richest. The cheese is then aged for at least two years with as much loving care and skill as is lavished on the great wines of France.

I urge you to buy Parmesan in the piece, and to cut off and grate as much as you need when you need it—just as coffee beans and peppercorns deteriorate swiftly after grinding, so Parmesan quickly loses its splendour after grating.

Supermarket packets and tubs of ready-grated so-called Parmesan cheese are a total waste of money: even if the cheese were true Parmesan, not run-of-th-mill grana, and of good quality, which is unlikely, the powdery gratings are liable to be disgustingly stale by the time they reach the market place let alone your store cupboard.

Be wary too of theso- called freshly-grated Parmesan on sale at delicatessens. Delicatessens worthy of the name do, of course, sell the genuine article grated daily on the premises but it is a trick of the trade among the less scrupulous to buy in catering-size packs of ready-grated Parmesan and to sell it stuff has the words Parmigiano-Reggiano pin-pricked all over the rind) and ask to taste it before buying. It should be very finely grained and pale straw yellow; it should feel slightly moist on the tongue, taste mellow and agreeably salty. Invest in a generous hunk if it is really good.

Store Parmesan in the salad compartment of the 'fridge, tightly wrapped in a double thickness of kitchen foil to minimise loss of moisture. It will keep in top condition for many weeks. If kept for several months it may begin to whiten and to dry out too much, but can be resuscitated by placing a layer of damp cheesecloth be*tween cheese and foil overnight.* Don't throw away the rind; save or as an accompaniment to *osso buco.* Although I do serve it in these ways I find it is most useful as a light lunch or supper dish in its own right, simply followed by salad and cheese.

RISOTTO ALLA MILANESE
serves 4-6

Risotto is a wonderful dish to turn to on emergency occasions. The few ingredients needed to make it are all store cupboard items, and risotto somehow seems a more imaginative choice than the pasta dishes to which most of us instinctively turn in a crisis. Risotto is as quick and as easy to make for eight people as for one (it is my staple grass-widow dish) and the basic recipe can be adapted or dressed to suit the butter with beef bone marrow and use a dash of Marsala instead of wine. Saffron is unnecessary here.

To ring the changes still further, meat, fish or vegetables can be included. But risotto is essentially meant to be a dish of well-flavoured rice, so any "extra" should be treated accordingly, more as a garnish than an intrinsic ingredient; just a handful of young peas from the garden, or a few fried mushrooms, or some steamed mussels, or a couple of sauteed chicken livers. These "extras" must, of course, be perfectly *fresh — never, ever, leftovers —* cooked in a separate pan while the rice simmers, and stirred in just before serving. Saffron is often omitted from this kind of risotto.

Finally, should you have the good fortune to come by a fresh white truffle, flavour the rice with butter, stock and a little Parmesan only (no saffron or wine) and garlan dthe risotto at table with wafer-thin shavings of truffle. Not cheap, but a truly magnificent dish.

Making risotto is therapeutic. There is a satisfying rhythm to the simmering, stirring and ladling. The knack is to regulate the heat, keeping the rice at a steady simmer. If the heat is too low the rice will become gluey, if too high the liquid will evaporate too fast and the rice cannot cook evenly—it will be soft outside and chalky within.

4 oz unsalted butter; 1 small onion finely chopped (optional): a few saffron strands; about 3 pt good chicken, veal or fish stock; freshly-grated Parmesan cheese; salt and freshly-ground black pepper.

Melt half the butter in a flameproof casserole or heavy-based saucepan. I find Le Creuset's new non-stick marmitout is the ideal pan.

Add the onion, if using, and let it soften gently for five minutes or so. Meanwhile bring the stock to simmering poin in a separate pan. Pound and soak the saffron in a few spoonfuls of boiling water.

Stir the rice into the butter *and keep stirring until it looks* transparent. Pour on the alcohol, if using, and let it bubble hard. When the liquid has all but disappeared, add a ladle of piping hot stock. Simmer steadily, stirring lightly quite often, and add another ladle of stock each time the rice is on the verge of drying out.

After 15 minutes or so add saffron liquid. Continue simmering, stirring and adding more stock as the rice needs it—but add the liquid in smaller, more frequent doses now so that the rice is not drowned in excess liquid when it finishes cooking. When cooked (which takes 20-25 minutes) the rice should be creamily bound together, neither dry nor sloppy.

Turn off the heat. Add the remaining butter cut into samll dice, a pinch of salt, a good seasoning of pepper and up to 2oz of Parmesan (a tablespoon or two of Parmesan is plenty if the risotto is to be gar-

ARTS

Rock in Rio/Antony Thorncroft

The boys from Brazil

Iron Maiden (above)—Rod Stewart in Rio

They elected a new president in Brazil this week—and the bands played. Not just Brazilian musicians, although the crowds took to the streets with their drums in their excitement at having a civilian President after 20 years of military rule. But in Rio were Queen and Rod Stewart, Yes and George Benson, Iron Maiden and James Taylor, and many more.

It was, of course, a coincidence. Rock in Rio, the biggest pop event in the world, just happened to clash with the election. But Brazilians took the appearance of so many leading international stars as an omen for the future. In the one week Brazil could change its image and become the important country that size and nature seemed to design for her.

In Rio, at least, the 10-day rock festival became a more important occasion than the election. Its presence was inescapable. Most breasts wore a sweat shirt advertising it; most shops had a promotion linked to it; most buses seemed redirected to the out-of-town site; hours of television brought the music into homes. The billboards shrieked that, at last, Rio was the pace-setter.

And it all worked. The bands, who overcame their apprehension (helped by cheques, in U.S. dollars, guaranteed by the national bank), were unanimous in their approval of the arrangements, and thrilled with playing in front of crowds that reached up to 250,000 on Saturday night. In the first four days the attendance was 550,000, at $5 admittance a head, making it certain that the organisers, Artplan—the biggest advertising/promotions company in Brazil—would more than break even. The total target is 1.2m people. The festival ends tonight.

Roberto Medina, 35, the founder of Artplan, who dreamed up the idea, seemed nonplussed by it all at midweek. He should have few financial worries. Apart from the gate money, people rushed to buy franchise concessions on the site and thus ensure that the $12m investment would be recouped. Brahma, the leading Brazilian beer company, launched Malt 90, a brew aimed at young people, to coincide with the event and put up $3m but was busily raising its forecasts of how much it might sell to the crowds, who were arriving six hours before any musicians took the stage, to 3.6m litres in ten days.

MacDonalds, another franchise holder, was claiming a world record for business done, $51,000 worth of burgers disposed of on one day. Every shop, every prop, carrying the Rock in Rio guitar symbol was contributing to Mr Medina's fortunes. Preparing the site cost $5.8m. He seems likely to get back all his investment in the first year and have the ground prepared for the 1986 festival. In the meantime he is talking about getting Michael Jackson and Diana Ross to appear there in July.

The money might have snared the big names (the nightly headliners were on a reputed $200,000 for two appearances), but the novelty of it all was another attraction. As is usual in the pampered pop world there were the extra demands—Dom Perignon champagne (at $100 a bottle in Brazil) in the dressing rooms; first-class flights and accommodation—but in the event the musicians behaved well.

Mr Medina's main problems came from local rivals. One paper concocted a prophesy of Nostradamus that a terrible event would occur in 1985 in South America that would kill 200,000 young people; steps were taken to ban under 18-year-olds from the site; plans to helicopter the bands in were blocked, resulting in George Benson having to sit out a four-hour traffic jam after his Saturday appearance.

And what of the music? The *charm and importance of poplie in its universality.* The fans were delirious at seeing big names for the first time but they were also extremely knowledgable: they sang along the choruses with Queen and Rod Stewart with more brio than any Wembley crowd. They also got the set performances of the bands.

Queen went down well, even though the enthusiasm of the bouncers in throwing back over-eager fans caused a few missiles to be hurled. Alternatively the crowd could have taken exception to singer Freddie Mercury's adoption of wig and false bosoms for "Is this the world we created," a song in which the lyrics are taken seriously in a censor-ridden country. But a tricky moment was circumvented by a quick "Jailhouse Rock" and Queen encored with "Bohemian Rhapsody" and Freddie draped in the flags of the UK and Brazil. There was also, as a finale, the British national anthem, but in honour of which Queen was debatable. Queen did their usual flamboyant light-exploding, cracker-popping, show and Mr Medina wants them back next year.

Queen are old Brazil hands—this is another country where they are the top band—and their enthusiasm for the project was a key to getting it off the ground. The organisation involved constructing a stage 350 ft long and 200 ft deep which revolves to enable bands to get ready while the earlier acts were playing. In theory this would cut down delays between the music—and it probably did, a bit.

For all its size the stage was not quite big enough for Rod Stewart and his famous dashes; Stewart was 40 on the day he arrived in Rio and his stage show might be slightly more sedate these days, with the emphasis on the slower songs. But he warmed to the crowd and, when he saw they could handle the choruses of songs like "I don't want to talk about it," he let them get on with it.

Perhaps the act was not flamboyant enough for the spectacle-loving Brazilians but the musicianship of the band, beefed with a brass section, brought the sound of professional rock to Rio. Stewart became so enthusiastic that he gicked a few footballs into the crowd and changed his clothes three times, closing the show in tartan with "Sailing," in which 200,000 bodies swayed, and 400,000 hands waved.

If Rod Stewart was the old pro, coasting through a repertoire of standards, other artists were out to make a reputation. The bands had been invited because they topped a radio poll of the 20 most popular foreign artists among Brazilians. Some groups—Culture Club was one—failed to respond, but most were persuaded. Among the more lively performers was Nina Hagen, originally an East Berlin actress, now fantasist to the world.

Hagen has an extraordinary voice, ranging over many octaves, and she is inclined to shriek high notes at the audience with the abandon of a coloratura. But few coloratura's wear vast red wigs—or a sporran around their waist made provokingly obscene by the addition of a cheeky red tongue, reflectively touched by Ms Hagen at moments of high excitement. Her material is exaggerated; a version of "My Way" in the style of Sid Vicious rather than Frank Sinatra, and of "Zarah," the Zarah Leander song which begins slowly and moves into a frenzy.

Heavy Metal is popular in Brazil, perhaps because for the urban unemployed youth its visual outraged is a safe way of upsetting the authorities. Iron Maiden were loud and dramatic Whitesnake almost musical, thanks to David Coverdale's fine voice.

Next year Mr Medina is after Duran Duran. He would give anything to get Paul McCartney. He wants five years of rock in Rio and in his promotional excitement sees such ventures not just as a cure for Brazilian lack of confidence but for the world's troubles. Perhaps the final assessment must be a financial one, but as search lights ranged over the sky, and the arena, decked out with marquees, came to resemble a medieval tournament, as fireworks climaxed the evening, and the crowds peacefully drifted away, their fantasies fulfilled, Mr Medina might be allowed a little credence.

Double-take on the popcorn

VIDEO
NIGEL ANDREWS

Feature films today scarcely have time to brush the popcorn off themselves after their cinema showings before they are bundled into the video shops. Many of 1984's major big-screen releases are already lining the shelves in your local cassette store, waiting to ambush your wallet and compensate you for having missed them at the movie-theatre.

There is no more schizophrenic person in the world than one who wears a double hat as film and video critic. As the latter, I'm happy to join all the champagne-filled parties celebrating the speed with which new product and new technology bound into the home-viewing market these days. Good gracious, are we *already* seeing Wim Wenders's *Paris, Texas* (Palace), Francis Coppola's *Rumble Fish* (CIC), Jonathan Kaplan's *Heart Like A Wheel* (Embassy) and Matthew Chapman's *Strangers Kiss*—four of my 12 top films of 1984—in the shop windows?

But as a film critic I have to don my other hat—an Ebenezer Scrooge nightcap—and grumble about the ever more abbreviated time given to film fans to enjoy their celluloid on the large screen. *Paris, Texas* suffers far more than most from the shrinkage. Seeing it on video you get the same dreadful shock as when you fish your favourite sweater out of the washing-machine and find that it would now fit Tom Thumb. The wrap-around breadth and illimitable horizons of Wender's poetic odyssey (though Palace are far more scrupulous than most in keeping faith with the original screen ratio) are essential to its impact; here they're reduced to pocket-size versions. In short, if you haven't seen *Paris, Texas* in the cinema first, I implore you to do so before grabbing the video.

On the other hand, I won't bring fire and brimstone down on your head if you see the other three films first on video. *Rumble Fish* is Coppola's dark-night-of-the-soul youth movie, made in black and white with Mickey Rourke and Matt Dillon.

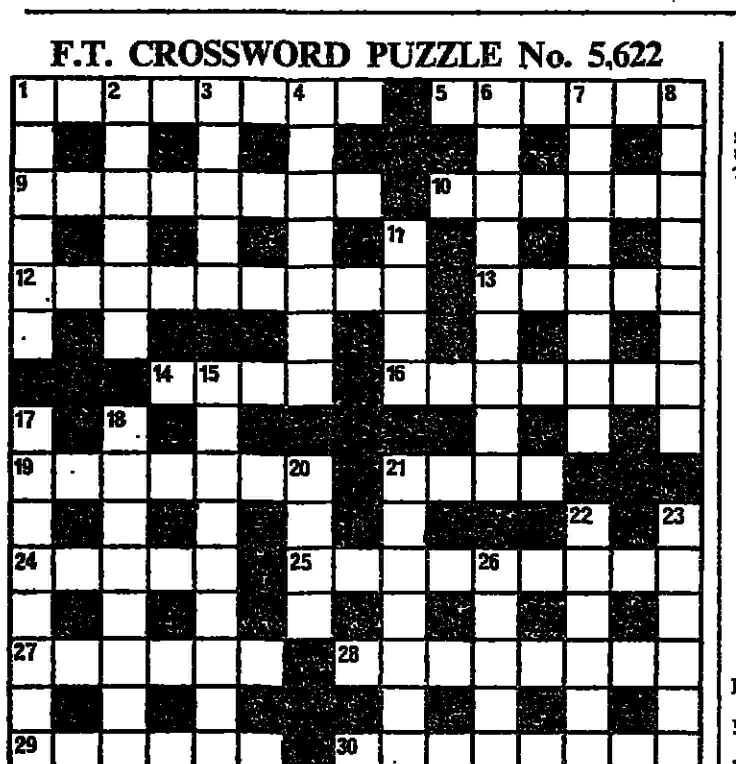
This is the kind of oneiric-Gothic impromptu designed to give claustrophobia a good name; and it will fit very dandily, thank you, on your TV screen. So will *Strangers Kiss*, which also uncoils its surreally elegant length in a "closed world." This time we're in a Hollywood studio where a bunch of diversified molls, macho-men and monomaniacs are filming a gangster thriller. Time: 1950s. Amid Chinese boxes of reality and fantasy (isn't the gangster film's love-and-revenge plot starting to duplicate itself on the set?) director Matthew Chapman and stars Victoria Tennant and Peter Coyote create a funny-dazzling puzzle picture full of dayglo colours and stunning Pop Art tableaux.

In *Heart Like A Wheel* we're out and about again, burning up the tracks with Bonnie Bedelia as the real-life drag-racing champion Shirley Muldowney. But unlike *Paris, Texas* Jonathan Kaplan's heigh-ho biopic excels on TV because it never uses landscape as more than a quick-brushstroke background for the characters, who, led by Miss B's black-rinse buzz-bomb of a heroine, roister exuberantly through a plot containing romance, jealousy, conflict, feminism, ambition, success, spectacle — and all the other things that, thanks to video, we now get enough of at home.

In the field of music on video, 1984 has seen the rise and rise of the pop promo, tailor-made for TV screens and gratifyingly pyrotechnic to boot. But equally rampant has been the classical music sector in video. Instead of merely listening to them, you can now *watch* such as Y. Menuhin, M. Rostropovich and I. Perlman bowing away like mad on your television; or Fonteyn and Nureyev taxi-ing for take-off on the stage of Covent Garden; or the EEC's very own pasta mountain, Luciano Pavarotti, breaking all sound barriers in the Albert Hall. And goodness knows, we are not starved for complete operas, which are now starting to fly over our heads in twos.

There are two *Rigolettos*, two *Magic Flutes*, two *Traviatas* on video, and three or four competing pairs of Gilbert and Sullivans. The secret of the video revolution, of course, is to enjoy all these home-viewing treats to the hilt but *not* to give up the admirable habit of going to the theatre, the opera-house or the cinema.

F.T. CROSSWORD PUZZLE No. 5,622



A prize of £10 will be given to each of the senders of the first five correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solutions will be given next Saturday.

Name ....

Address ....

....

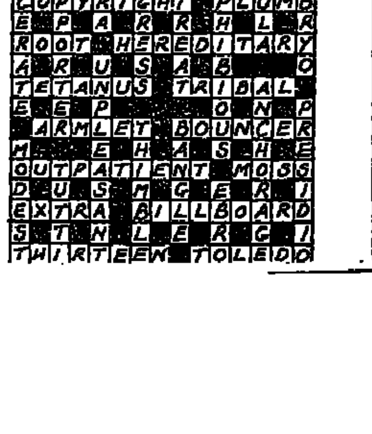
ACROSS

1 Once a doorman, he's now engaged in overseas trading (8)
5 Managed to reach detectives' rank (6)
9 One of the Cinque Ports needs filling in (8)
10 Cakes often dropped once replaced in the vessel (6)
12 Sure one or another version is wrong (9)
13 A scab on the Spanish honey-badger (5)
14 Isolated the East half of London first (4)
16 I sent round about 2p for scrap (7)
19 Fashionable little drink I would find tasteless (7)
21 Ruined a big heater last week (4)
24 Subsequently dead right, it's found (5)
25 The size of a woolly gnu I tamed (9)
27 A stiff container (6)
28 Most gondoliers are a sort of red colour (8)
29 One having a bill will take cake without a voucher (6)
30 May be used to kill a heel (8)

DOWN

1 Key flower festival (6)
2 Want piano (a French one) brought back by railway (6)
3 Or turning faint, sits under a tree (5)
4 [illegible]
6 Agree with *something* charged for the instrument (9)
7 Monument not cheap to repair (8)
8 Depressing odes rewritten towards the end (8)
11 Avails oneself of Sue's cooking (4)
15 Convenient work left to a Parisian (9)
17 After swim, left moat to change for the ambassador, perhaps (8)
18 East Central store I rebuilt in secret (8)
20 Complete, more or less, with a type of roof (4)
21 FBI agents in the radio section (7)
22 Sort of camp where there's nothing going on? (6)
23 An outbuilding on the meadow is not unusual (4-2)
26 "Perfect," thought the leading librarian (5)

Solution to Puzzle No. 5,621



BBC 1

† Indicates programme in black and white

8.35 am The Littlest Hobo. 9.00 Saturday Superstore. 12.12 pm *Weather.*
12.15 Grandstand, includiung 12.50 News Summary; Football Focus with Bob Wilson; Skiing from Wengen; Athletics: The World Indoor Games from the Palais Omnisports de Bercy, Paris; Boxing from York Hall, Bethnal Green; Rugby Union: Live coverage of Ireland v England at Lansdowne Road; Final Score at 4.40 with classified results.
5.05 News.
5.15 Regional programmes.
5.20 Doctor Who.
6.05 Jim'll Fix It.
6.40 The Little and Large Show.
7.15 One By One.
8.05 Dynasty.
8.55 News and Sport.
9.10 The Saturday Action Movie: "Inside Out," starring Telly Savalas.
10.45 Match Of The Day.
11.50 "Deadly Harvest," starring Clint Walker.

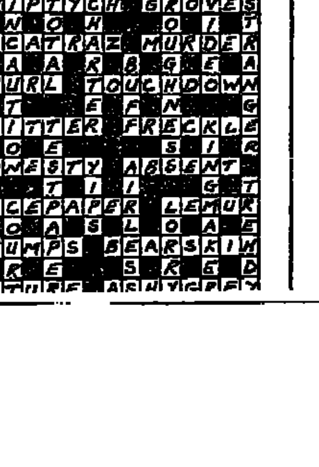
REGIONAL VARIATIONS:
Wales—5.15-5.20 pm Sports News Wales.
Scotland—5.15-5.20 pm Scoreboard with Dougie Donnelly. 10.45-11.50 Sportscene.
Northern Ireland—4.35-5.05 pm Northern Ireland Results (opt-out from "Grandstand"). 5.15-5.20 Northern Ireland News. 1.15-1.20 am Northern Ireland News Headlines.
England—5.15-5.20 pm London—Sport: South-West (Plymouth)—Spotlight Sport and News; All other English regions—Sport and Regional News.

BBC 2

10.10 am-12.40 pm Open University.
†3.35 Saturday Cinema Double Bill: "Born To Be Bad," starring Joan Fontaine, Robert Ryan, Zachary Scott, and at 5.05 "I Died a Thousand Deaths," starring Jack Palance, Shelley Winters and Lee Marvin.
6.50 The Sky At Night.
7.10 News and Sport.
7.25 A Vous La France!
7.50 Rugby Special.
8.55 The Saturday Alternative: Celibidach Conducts. *This great Romanian* conductor tonight conducts the Munich Philharmonic Orchestra in this recording made in the Herkulessaal, Munich.
10.20-11.40 Television And The Presidency: Theodore H. White traces the history of television's impact on presidential campaigning.

SOLUTION AND WINNERS OF PUZZLE No. 5616

Mrs F. A. Blanchard, 87 Namu Road, Bournemouth, Hampshire.
Mrs E. Leyland, 175 Markland Hill Lane, Heaton, Bolton, Lancs.
Mrs M. Norris, 17 Abbot Road, Guildford, Surrey.
Mr T. Brockbank, The Orange Tree, Shincliffe Village, Durham.
Mr L. Cartwright, 5 Park Court, Pool-in-Wharfedale, Otley, West Yorkshire.



LONDON

6.15 am TV-am Breakfast programme. 9.25 LWT Information. 9.30 Cartoon Time. 9.35 Scooby, Scrappy and Yabba Doo. 10.00 Saturday Starship. 11.20 Space 1999.
12.15 pm World of Sport: 12.20 World Cup Ski-ing: 12.45 News; 12.50 On The Ball; 1.20 Athletics from Los Angeles; 1.50 World Cup Ski-ing: Women's Downhill from Megeve, France; 2.05 Boxing from Atlantic City, New Jersey: Virgil Hill v John Tyrell; 2.10 Water Skiing: Peter Stuyvesant Jump Classic from Ocho Rios, Jamaica; 2.20 Motor Racing from Las Vegas; 2.35 Pool: Yugo Cars European Championship from Kentish Town; 3.45 Half-time soccer round-up; 4.00 Wrestling; 4.35 Boxing: WBA Welterweight Championship (preview and weigh-in): Don Curry v Colin Jones; 4.45 Results.
5.00 News and Sport.
5.05 Blockbusters.
5.35 The A-Team.
6.30 The Fame Game.
7.15 All Star Secrets.
7.45 The Price Is Right.
8.45 News.
9.00 Aspel & Company.
9.45 Boxing — WBA World Welterweight Championship—Don Curry (U.S. champion) v Colin Jones (GB) live from the National Exhibition Centre, Birmingham.
11.00 London News Headlines followed by "The Finest Hours."
1.10 am Bellamy.
1.55 New From London: The Higsons.
2.45 Night Thoughts with Richard Causton.

CHANNEL 4

1.05 pm Everybody Here.
1.30 The Making Of Britain.
†2.00 "The Story Of Alexander Graham Bell," starring Don Ameche, with Charles Coburn, Loretta Young and Henry Fonda.
†3.50 "Sherlock Holmes," starring Clive Brook and Reginald Owen.
5.05 Brookside.
6.00 The Other Side Of The Tracks.
7.00 News Summary followed by Seven Days.
7.30 Shape Of The World: Gaddafi and the Bomb.
8.15 "As The Years Pass, As The Days Pass" (with English subtitles). The first screening of an [illegible] director Andrzej Wajda made for Polish TV in 1980.
9.25 European Music 1985: Bach: Brandenburg Con*certo No 3. and Gershwin:* Rhapsody in Blue.
10.00 Hill Street Blues.
11.00 American Carrott.
12.05 am The Complete Millie Jackson.

S4C WALES
1.55 pm A Question of Economics. 2.25 Rygbi: Ffrainc v Cymru. 3.40 A Question of Economics. 4.10 A Week in Politics. 4.50 Feature Film: "Jewel Robbery." 6.05 Where In The World? 6.35 The Avengers. 7.30 Newyddion. 7.45 Siôn A Siân. 8.15 Noson Lawen. 9.15 Y Maes Chwarae. 10.15 American Carrot. 11.15 Feature Film: "Heaven Can Wait" starring Don Ameche and Gene Tierney.
IBA Regions as London except at the following times:
11.20 am Battlestar Galactica. 1.05 am At The End Of The Day.

REGIONS

CENTRAL
9.25 am The Adventures of the Blue Knight. 11.20 Chips. 11.00 pm Saturday Cinema: "Penny Gold" starring Francesca Annis, Nicky Henson and James Booth.

CHANNEL
9.57 am Puffin's Pla(i)ce. 11.20 Tarzan. 12.14 pm Channel Islands Weather summary. Puffin's Pla(i)ce. weather summary. 5.05 Puffin's Pla(i)ce. 11.00 The Late Night Film: "The Movie Murderer."

GRANADA
11.20 am The Fall Guy. 1.05 am Rock of the Seventies (Black Sabbath).

HTV
11.20 am The Little House on the Prairie. 12.13 pm HTV News.

TSW
9.57 am Gus Honeybun's Magic Birthdays. 11.20 Freeze Frame. 12.12 pm TSW Regional News. 5.05 Newsport. 5.10 The Smurfs. 11.00 Late Night Film: "The Movie Murderer" starring Arthur *Kennedy, Tom Selleck and Warren* Oates. 12.45 pm Postscript. 12.50 South West Weather and Shipping Forecast.

TVS
11.20 am The Green Hornet. 11.45 Birdman and Galaxy Trio. 12.12 pm TVS Weather. 1.05 am Company.

TYNE TEES
9.25 am Morning Glory. 9.55 Young Lookaround. 11.20 Captain Scarlet and the Mysterons. 11.50 Batman. 12.13 pm North East News. 5.05 North East News. 5.07 Blockbusters. 1.05 am Poet's Corner: Tom Coyne reads "The Donkey" by G. K. Chesterton and "Macavity The Mystery Cat" by T. S. Eliot.

ULSTER
11.20 am Wild, Wild World of Animals. 11.45 The Jacksons. 12.43 pm Lunchtime News. 5.03 Ulster News. 8.57 Ulster News and Weather. 12.35 am News At Bedtime.

YORKSHIRE
9.25 am Regional Weather Forecast followed by Porky Pig. 11.20 Battlestar Galactica. 11.00 pm "Soylent Green" starring Charlton Heston.
Chuck to his friends.

BBC RADIO 1
(S) = Stereo)
8.00 am Peter Powell. 10.00 Dave Lee Travis. 1.00 pm Punk To Present. 2.00 Paul Gambaccini with America's hits (S). 4.00 Saturday Live (S). 6.30 In Concert (S). 7.30 Phil Kennedy. 9.30-12.00 am Dixie Peach.

BBC RADIO 2
8.05 am David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 1.00 am The Impressionists with Ray Alan. 1.30 Sport On 2: Rugby Union: The Five Nations Championship—commentary on the match between Ireland v England in Dublin; Racing from Haydock at 1.30 and 2.00; Football: Commentary from 3.55 pm on the second-half of one of today's Canon League matches: Cricket: News from the final day's play of the Fourth Test in Madras between India and [illegible] 5.55 Pools News and Football results. 6.00 Folk On 2. 7.00 Beat The Record. 7.30 Band Parade. 9.30 Boxing Special. 11.00 Steve Jones (S) (continued from VHF). 12.05 am Night Owls introduced by Dave Gelly (S). 1.00 Patrick Lunt presents Nightride (S). 3.00-4.00 Wally Whyton introduces Country Concert (S).

BBC RADIO 3
7.00 am News. 7.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.00 BBC Philharmonic Orchestra, Recorded concert: Walton; Beethoven (11.55 Interval Reading). 12.00 Schumann, Britten. 1.00 pm News. 1.05 Leslie Howard. Piano music by Mozart (S). 2.00 Verdi's Operas: "U Ballo di Maschera." Riccardo Chilly conducts this Suisse Romande Radio recording, sung in Italian (Act 1). (2.50 Julian Budden talks about the opera). 2.55 Acts 2 and 3. 4.25 The First French Sonatas (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Haydn and Mozart chamber music (S). 7.30 "The Mask of Time." Andrew Davis conducts the work by Sir Michael Tippett in the first of a series of 80th-birthday concerts (part 1). 8.15 Dream Set Free. 8.35 "The Mask of Time," (part 2) (S). 9.30 Music From The Castle Museum, York (S). 10.00 "Menocchio," a monologue by James Saunders, with Freddie Jones (S). 11.00 Norway After Grieg (S). 1.57-12.00 News.

BBC RADIO 4
7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 Down to Earth. 7.55 Weather; Travel. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.48 Yesterday in Parliament. 8.57 Weather; Travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Pick of the Week (S). 11.30 From Our Own Correspondent. 12.00 News; Money Box. 12.27 pm The News Quiz. 12.55 Weather. 1.00 News. 1.10 Any Questions? from Saddleworth, Lancashire. 1.55 Shipping Forecast. 2.00 News; The Afternoon Play (S). 3.00 News; A Lexicon of Laughter with Richard Anthony Baker (S). 3.30 Maharaj (S). 4.15 Not Much Rom For Fancy. 4.45 A Sideways Look At . . . by Anthony Smith. 5.00 Wildlife (S). 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather; Travel. 6.00 News; Sports Round-up. 6.25 Desert Island Discs. Castaway: chairman of ICI, John Harvey-Jones (S). 7.05 Stop The Week With Robert Robinson (S). 7.45 Baker's Dozen With Richard Baker (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Evening Service (S). 10.30 Soundings. 11.00 Science Now. 11.30 The Wow Show presents . . . "Heaven is For Fascists" (S). 12.00-12.15 am News.

RADIO LONDON
8.04 am London Weekend. 8.30 The Magic Carpet Company. 9.03 It Seems Like Only Yesterday. 9.30 Corridors of Power. 10.02 All That Jazz, with Brian Priestley. 11.30 Jeff Young's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 6.00 Guideline. 6.30 Big City. 7.30 Hold the Front Page. 8.00 Eastern Ear. 8.30 Good Fishing. 9.00 As Radio 1. 12.00-4.00 am As Radio 2.

LBC
7.00 am AM with Peter Deeley. 10.00 Clive Bull's Fix-It Phone-In. 1.00 pm Time Off with Steve Crozier. 2.00 Sportswatch with Jeff Stelling. 6.00 Six O'clock News with Paul Woodley. 6.30 Carol Allen's Cinema Screen. 7.00 Geet Mala with Suresh Joshi. 9.00 Laurence Spicer's Sight Unseen. 9.30 The Saturday Documentary: Beyond Belief: The fourth in a series of investigations into the unexplained by Radio City's Kieran Devaney this week takes a look at black magic. 10.00 Dan Damon's Nightline. 1.00 am Steve Allen's Night Extra.

CAPITAL RADIO
7.00 am Dave Cash's Breakfast Show. 10.00 Pick of the Pops Take Two with Alan Freeman. 12.00 So You Thought They Were Hits? 2.00 pm Mick Brown. 5.00 Greg Edwards' Soul Spectrum. 8.00 David Rodigan's Roots Rockers. 11.00 Mike Allen. 1.00 am Fusions with Steve Collins.

CHESS SOLUTION
Solution to Position No 551
1 N-B6 ch, BxN; 2 BxP ch, KxB; 3 P—N8=Q ch, RxQ; 4 QxQ

هكذا صار الأصل

LEISURE

Theatre for the young at heart

COLLECTING

JANET MARSH

THE CENTENARY of Robert Louis Stevenson's essay "A Penny Plain and Twopence Coloured," which appeared in the *Magazine of Art* in 1884, should not be allowed to pass unmarked. Stevenson took the workaday commercial phrase that had appeared unobtrusively in the margins of popular prints for at least a century before he wrote, and endowed it forever with rich associations of tinselly theatrical glamour.

More than that, he provided a fundemental text for that small, dedicated and slightly nutty band of us who are devotees of the English toy theatre—properly styled, since its Georgian origins, the Juvenile Drama.

The Juvenile Drama originated about 1811, when William West, a young publisher with *premises just off the Strand, had* the idea of issuing as souvenirs of the latest stage hits, sheets of portraits of the principal performers in character. Evidently the sheets sold well, because he was soon producing them in sets of two or three and more: and over the next 20 years was to publish around 150 plays.

West lived long enough to be interviewed by Henry Mayhew, to whom he described how the model theatre developed from these characters sheets: "At first, we didn't do any but the principal characters in a piece. After that, we were asked by the customers for theaytres to put the characters in, so I got up the print of a stage front, thinking that the customers would get the woodwork done themselves. But after the stage front they wanted the theaytres themselves of me more than ever, so I got some made; and then the demand got so great that I was obliged to keep three carpenters to make 'em for me. Afterwards, I was obligated to make scenery and to do the sets of characters complete."

West told Mayhew that he made several theatres a week, and that some cost as much as £20; with special machinery and traps and lights. Today, it is every collector's dream—rarely realised—to find one of West's *de luxe* models.

West's success stimulated imitators and rivals: and the vivid prints and model theatres attracted a younger market—though for some reason the Juvenile Drama remained a particularly male taste. With the 19830s a whole new generation of publishers entered the field.

The artists now no longer troubled with real likenesses, though the plays continued to be taken from actual stage successes. It was more important to provide a rich variety of scenic changes and the sets of sheets became larger and larger until "Jack Sheppard," published in 1839, required no less than 64.

The heyday of the business was over by 1860. Stevenson represented a generation for whom the toy theatre was mostly nostalgic memory (it was a nostalgia which, fortunately, stimulated enthusiasts to begin collecting the prints as antique rarities as early as the 1850s). He wrote feelingly about the delicious labour of colouring the plain sheets: "But when all was painted, it is needless to deny it, all was spoiled. You might, indeed, set up a scene or two to look at, but to cut the figures out was simply sacrilege: nor could any child court the tedium, the worry, and the long-drawn disenchantment of an actual performance."

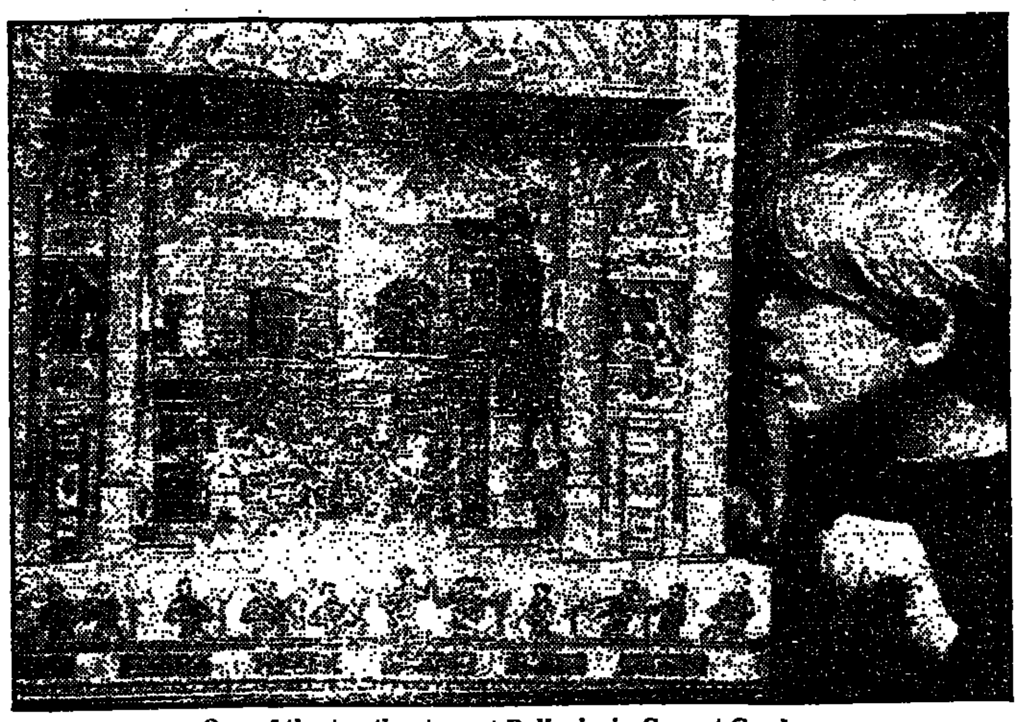
No matter: the childish imagination already had been stirred by the ridiculous magic of ancient melodramas about pirates and highwaymen, demonic barons and loyal servants, ."

The special oddity of the Juvenile Drama is its power for survival. Two of the Victorian publishers, Webb and Pollock, stayed in business into the 1930s. Benjamin Pollock was successor to his father-in-law, John Redington, himself successor to J. K. Green who claimed to have invented the Juvenile Drama even before West. Pollock's daughter carried on the business until the 1940s (I bought my first plays from her). After that the stock-in-trade was acquired by a buccaneering bookseller called Alan Keen, who started to republish the plays and theatres.

Keen's business failed and closed, to the annoyance of one of his customers, Marguerite Fawdry, who was irked because she could n o longer buy accessories for her young son's theatre. With little more ado, therefore, she bought the entire business and re-established Pollocks.

"If you love art, folly, or the bright eyes of children," wrote Stenson, "speed to Pollocks." A hundred years later, thanks to Mrs Fawdry's enterprise, you may still do so — either to its long-established shop in Scala Street, which is annexed to a fine toy museum, suitably rich in toy theatres from every place and period; or to its new premises in the refurbished Covent Garden complex. The theatres (ready-made or DIY) and a large repertoire of plays, dating back as much as 150 years, are still on sale, though now they are printed in colour: children's patience is not what it was.

Pollocks no walso stocks a large variety of other traditional toys, children's boks and greetings cards — all in the tradition of Mr Pollock's original "Fancy Repository," the breathless stock list of which concluded with the tempting offer of "Poetry at Wholesale Prices." Even if it doesn't stock that any longer, Pollocks still can be recommended



One of the toy theatres at Pollocks in Covent Garden

Michael Thompson-Noel takes a punt Down Under

Bettor odds at the bar

ALMOST TO a man, Australians are fond of a beer and a bet; so much so that the powers-that-be in New South Wales, *Australia's most populous state*, are busily introducing a service that seems superbly well designed to cater to the Bazza McKenzie in al Australians—computerised pub betting.

In the high-falutin' language of the Totalizator Agency Board of NSW, the service is "calculated to substantially assist the elimination of illegal SP (starting price) bookmakers by providing superior, and legal, facilities to punters who enjoy a bet but wish to remain on licensed premises."

What this really means is that your average ocker or ockerina can now visit one of 190 clubs and pubs in NSW, crack a few tinnies or sink a few schooners, and indulge what for countless Australians is a deep-seated urge; Gambling on the nags.

One reason why horseracing is so popular in Australia is that the country has a mild-to-tropical climate that permits year-round racing, thus maintaining continuity of interest.

As a result, the betting is mountainous. Almost all are infected, from the Prime Minister down. Last November, Prime Minister Bob Hawke wagered A$50 on Black Knight, Robert Holmes a Court's 10-1 winner of the Melbourne Cup, Australia's greatest race. On the 6 o'clock news that evening, Mr Hawke was seen hooting like a bookie as Blick Knight scythed for the winning post. (For the record, there was no glass in his hand: Mr Hawke is a teetotaller. But he enjoys a cigar, which he puffs plutocratically.)

The new pub betting service in NSW—Pub TAB—is designed not only to help force illegal bookies out of business bu offering better odds, but to help swell the already-growing revenues of the Tote Board which, in 1983-84, in NSW alone, turned over A$1.34bn (£965m).

It was an Australian, the late Sir George Julian, who invented the Tote machine, so it is appropriate that Tote betting in Australia rates as one of the most efficient gambling operations in the world. At the busiest times, such as Melbourne Cup day, the computer system in NSW is processing bets at a rate of more than 15,000 per minute.

Of the A$1.34bn handled by the Tote Board in NSW in 1983-84, 84.9 per cent was returned to punters as winnings, which is excellent by commercial betting standards anywhere. Costs took 4.7 per cent, while 3.1 per cent (A$41.4m) was handed out to racecourses and race clubs covering galloping, trotting and greyhounds. Finally, 7.4 per cent (almost A$100m) was handed over to the State Government, which also receives large sums from lotteries and the "pokies" (poker machines).

As yet, there are no casinos in NSW, as there are in Tasmania and the Northern Territory, but the State Government already draws so much revenue from gambling that it could afford to sheathe the Sydney Opera House in opals and gold leaf.

The TAB in NSW has more than 800 selling points, but a full-time permanent staff of *only 416, over who it flusters* like a mare guarding a foal.

Australians are heavily into workers' rights and pursuit of of the single-digit working week, so it comes as no shock to the system to see that, last year, the NSW Tote Board introduced shorter working hours, spent heavily on training, and engaged outside consultants to *undertake a study on the effects* of hold-ups (armed or otherwise) on staff. (Improved counselling facilities were a key recommendation.)

The Tote Board also played host to visits by students cramming for the NSW Higher School Certificate subject, "Chance and Gambling."

So infatuated are Australians with racing that the argot of the track is all-pervasive. Jockeys are hoops, horses are nags, a roughie is a long-odds outsider, a fast starter is "off like a bride's nightie," and something or someone that can't be beaten is "home and hosed."

To explore the delights of Pub TAB I visited the Great Northern Hotel in Chatswood, North Sydney, which like a lot of Australian pubs clearly is vying for the title of most grotty inn in the solar system. There were pool tables, a juke box, live TV, pin-ball machines, and a little Tote counter run by a grey-haired old dear with form guides from the papers tacked up beside it.

The decor was red and blue, with ads for Koala Instant Printing and Gladesville Auto Wreckers above the bar. You could drink Reschs Draught, Tooths Old, Tooheys New — or *anything* — while the clientele, in shorts and thongs, looked as dynamic as the average gathering in a UK betting shop.

As this was a Saturday, the Tote counter operated from 11 am to 5 pm, with much Tooheying in between. For an outlay of A$50 I won back A$49.50, which is nice work if you can get it. But was this the Australian Dream? Somehow, I doubted it.

Short on shocks down at this Fair

ART INVESTMENT

BY ANTONY THORNCROFT

THE GOOD, the bad and the ugly can be found at the second International Contemporary Art Fair at Olympia this weekend. And, as well as the *dealers there will be the art.* Anyone interested in modern art, as a potential buyer or just as a voyeur, should go because never before have so many dealers from around the world gathered in London.

The first such Fair was held a year ago. The leading London galleries held aloof, but some that did participate reported good business and a fair number of interested art lovers. This year the main dealers—Waddingtons, Fischer, the Piccadilly, Mayor, Annely Juda, Angela Flowers—are taking part, making the event serious. In all more than 100 galleries, from 22 countries, have displays of their artists, double the 1984 figure; and while there is still much that is undistinguished on view, notably from overseas participants, some of the stands positively sparkle with talent.

Unfortunately, there is very little on display to shock. Nicholas Treadwell goes happily on with his accessible, "human" art, full-length nude figures, "comic book" pictures, wholesome sex, which drives most critics and fellow dealers into paroxysms of abuse and envy. H ehad sold three items by the first morning and, as a doyen of 50 fairs, knew of all the advantages—not just the chance of visits from buyers too chary of galleries, but the opportunity to meet other dealers and to get a feel for the market.

At the Waddington stand they were being more circumspect. One or two minor items had gone and they were sure that a younger crowd would be introduced to fine art. The chance of selling the £360,000 Picasso on display was slight, although it might spark off a later visit to the Cork Street gallery. The picasso is an exception, though dealer James Kirkman was also offering a fine work by the same artist and there is a Balthus available for U.S.$400,000 at the Mareschalschi stand.

In the main the items on sale were markad at well less than £10,000 an dthere were many for less than £100—Angela Flowers is offering prints by Amanda Faulkner for £60 for example, and Curwen has many original works of art for under £100. One of the attractions of the fair is the range-one stand may be offering Henry Moore, Graham Sutherland, Lucian Freud and Frank Auerbach: the next offer abstracts *that look as dated at 1984.*

The fair is particularly useful for dealers like Kirkman and David Grob who do not have galleries, concentrating on acquiring works for a small *group of clients.* They can show off their select offerings to a wider public and perhaps add new regular customers.

Like all the dealers on Thursday they were anxiously awaiting the arrival of the Americans, the most important art buyers in the world and particularly busy in London at the moment now that the dollar is so powerful. The Knoedler gallery had thoughtfully priced a large photo collage by David Hockney of a nude (female) in *dollars — 22,000 of them.* The Americans were also expected at the Portal stand where British primitive art made a cheerful showing—Beryl Cook commands prices up to £4,000 these days, but many similar works were much cheaper.

There were grumbles among the dealers about the workmanship of some of the stands, and their late completion, but the white surfaces take nothing away from the art. Olympia might look like a railway station with its glass-ribbed roof but at least everyone was in the same room. The upstairs balcony had been let to artists to show independently: a suitably remote attic.

What the fair seems to lack is any sparkle. The ICA is doing its best by showing art videos. The Tate Gallery displayed some of its most recent acquisitions, and the Crafts Council is selling British crafts. Unfortunately there are only four American galleries exhibiting, of which one, Fun, has structures and videos to liven up wall after wall of paintings. There are a few sculptures but the general mood is serious, businesslike, unriotous. Few objects here are going to unsettle the bourgeoisie.

Indeed, here is art to live with, to decorate the home, only slightly more challenging than the RA's Summer Show.

£3 seems a reasonable price to pay for a look, from 11 am to 7 pm daily, closing tomorrow night. The dealers will be very glad to see you.

"Self portrait: Late and Lamented," by Eric Scott. For sale at Nicholas Treadwell, who is seen in the picture, with a dealer's grin, alongside the grieving women

Renaissance is yet to come

CRICKET

TREVOR BAILEY

IT IS always a considerable achievement to win a series in India, who are far more formidable at home than overseas. This is what England's splendid victory in Madras should ensure, as it is hard to envisage anything but a draw occurring in Kanpur.

Unfortunately, it would be most unwise to assume that our most welcome success heralds that start of a renaissance because, by international standards, India are a poor side with a very anaemic attack. Until Bombay, they had gone 31 Tests without winning.

Although on this tour David Gower's team have shown a heart and character that have enabled them to play above their potential, they are certainly among the weaker we have sent abroad, this is due to the lack of class players in county cricket qualified to play for England, a situation now being investigated by a TCCB special committee. I do not think that more than five of this touring party will be in the England side against Australia come the final Test at the Oval.

Cricket, especially batting, is not a natural game. Essentially, it is a sideways-on art that has to be taught and learned. The natural way to hit a ball is to lift the bat towards third man and *swing* across the line, which automatically reduces the chances of making contact.

A batsman—preferably at an early age and, ideally, before he enters his teens — should acquire a suitable grip, stance and backlift if he is able to use the full face of the bat, keep it parallel to the ground when making a cross-bat stroke, stop the good ball and hit the bad, and use his feet correctly. To do these efficiently takes time, practice and skill.

Although nobody will make many runs in first-class cricket without well-above-average natural ability, backed up by hours of practice in the middle and the nets, it helps considerably to acquire the fundamentals of the game at an early age in good conditions. This point is illustrated perfectly by the composition of the present England touring party.

No fewer than half of the 16—including Gower, Cowdrey, Downton, Edmonds, Ellison, Lamb and Agnew—were educated at public schools or their overseas equivalents, where they played plenty of cricket *on good pitches* and received coaching that has paid off handsomely.

I believe that a major cause—possibly the most important of all for the present state of county cricket and, therefore, the acute shortage of cricketers of true international calibre—stems from the lack of cricket, the poor facilities, the shortened summer term and a shortage of staff able, or willing, to coach in State schools. This, inevitably, has resulted in a lowering of standards.

Although there are more indoor cricket schools, more coaches and more help from the clubs for youngsters than ever before, too many boys in State schools, especially the primaries and comprehensives, do not even play cricket, let alone enjoy the facilities, coaching and matches available at most preparatory and public schools.

The situation has been made even worse by turning so many of the grammar schools, where the game tended to prosper, into comprehensives, who are seldom able to offer their pupils the cricket and the facilities which Neil Foster, who captured 11 Indian wickets and could well develop into a regular opening bowler for England, received at Colchester Grammar School in Essex.

Claret tastings of distinction

WINE

EDMUND PENNING-ROWSELL

FOUR CLARET tastings of particular interest took place last autumn: one in Bordeaux and three in London.

The first was of 1981 clarets, held by Duclot, the Bordeaux branch of the Libourne company of J.P. Moueix. Nearly every autumn it holds a blind tasting of a vintage or a pair of vintages; either first growths or lower classifications of roughly similar standing. About 15 or 20 people are invited. The number present is governed by the single bottle of each wine opened, and the tasters are asked not to guess the wines but to vote on them from one to seven, the latter being the highest figure.

This time there were three wines from each of the five communes of Pauillac, St Julien, St Emilion, Pomerol and Pessac/Léognan. The wines generally showed plenty of bouquet, good but not enormous body and fine balance.

The top wine, with 82 points, was La Conseillante (I put it third), followed by Pavie with half a point less, and Pichon-Lalande (my top) at 80 points. Then in order with a point or two between them came Lynch-Bages, Léoville-Las-Cases and, equal sixth Vieux-Ch. Certan and Canon, with 76 points each. After Pape Clément in eighth place came Domaine de Chevalier and Canon, equal *ninth (70.5 points)* with Ducru Beaucaillou half a point less, and lEvangile. Beychevelle, Carbonneux and Pontet-Canet bringing up the rear; the last-named marked at 65.5 points. I put it low too, as the wine seemed to lack fullness.

The fine quality of the 1981 vintage was also demonstrated at the second tasting, when a range of six vintages of Ch. Margaux were opened at a held in Harrods by its wine department and attended by Madame Corinne Mentzelopoulos-Petit, who is chiefly responsible for the chateau's administration since the death in 1980 of her father, André Mentzelopoulos, who bought the property from the Ginestet family in 1977. It would be wrong to suggest that the latter did not make fine wine, for both 1953 and 1961 can be claimed as heading the first-growth lists. But difficult times had their effects on the investment constantly required to keep a vineyard and cellars in tip-top condition. The Mentzelopoulos family has been able to provide this investment, and is naturally keen to restore Ch. Margaux to the top of the list: an ambition in which it is not alone among the *premiers crus*.

To show how the wine had developed was the main purpose of this very well organised tasting, to which more than 120 people, professionals and clients of Harrods, were invited. It was prefaced by the 1981 and 1978 vintages of the Pavillon Blanc, to which great attention has been paid and a special air-conditioned cellar built. While the 1981 was deliciously fresh, the 1978 had more body and character. The 1979 Pavillon Rouge, the second red wine of the chateau, seemed to me very young and still rather raw, though with a nice bouquet. The 1981 *grand vin* had a big colour, a lovely flowery aroma, and full body, with some tannin and a long taste. It was widely liked.

After this, the 1980 did not show all that well, for though it had some "class" and an elegant bouquet, it lacked "stringy." Like other 1980s the Margaux is light, but might show very well as an opening wine at a fine vintage dinner. The 1979 was more engaging, with medium colour, a fine "lanolin" aroma, fruity balance and real style. It should develop. Finer, however, was the excellent 1978, the first wine made under the new regime. The colour was deep, the nose of violets, and the flavour full if dumb and tannic. A classic wine for the years ahead. The succeeding 1962 was light in tinge, with the lovely "nose" that is very much associated with Margaux, and a light, elegant flavour. Better than I expected. Finally, the *bonne bouche* was the 1953 from magnums: a great wine still, not in the big Pauillac style, but in the elegant, beautifully complete, well-balanced sense. Lafite is its only rival today in that vintage. It only remains to say that at the following dinner some of us from the tasting were privileged to drink the superb 1961.

A rather different evening tasting was held by Joseph Berkmann at his Jardin des Gourmets restaurant in Soho, and consisted of 35 1966 clarets. This is a vintage whose future has caused some doubts, and there is cause to think that some already appear rather tired, tannic and short in fruit and body, while others are anced. With only space for the briefest of comments, among the latter I thought Latour, La Mission-Haut-Brion Palmer, Léoville-Las-Cases, Ducru-Beaucaillou and Lynch-Bages showed particularly well. And so, in rather different styles did Haut-Bailly, Pichon-Lalande, Giscours, Lascombes and Haut-Batailley. Disappointing to me—though such an extensive tasting at the end of the day may lead to snap judgments—were Lafite, Ch. Margaux, Cos d'Estournel, Cantemerle and L'Angelus. On the whole, I think 1966 is a vintage to drink now.

The fourth tasting, held at the end of November, was certainly the most unusual of all: 22 post-World War Two vintages of Chx. Lafite and Latour, organised by Luc Lacerre et Fils of Cardiff. As there were two bottles each of 44 wines that had to be decanted back into their bottles, this involved quite a task for a small staff, and to ensure that all were opened before the tasting that began at 10.30 the youngest wines were opened just after 6 am onwards, though the oldest from about the '52 back to the '45, were only decanted shortly before the tasting began.

About 30 people, professionals and wine writers were invited, and many arrived later in the morning. I came at 11.45 and took just on two hours to complete the fascinating course. The result was, therefore, that some of the younger wines had been opened upwards of six hours, and the older ones two or three hours by the time many of the tasters reached them.

The result was, of course, *Latours held up much better* than the lighter Lafites, which always have less colour too than Labour, celebrated for its depth of colour even when distinctly old. In general, the Lafites could not stand this long opening, although many that tasted tired and lacking fruit retained a lovely, elegant nose, while some of the Latours rather lacked bouquet though they had much more body and fruit. In my view, however, some of the subsequent comments have over-criticised the Lafites. It is true that there was a period from the middle Sixties to the early Seventies when Lafite had an indifferent period. But I drank the 1962 at the château last summer, and it was a delicious, elegant claret, whereas at the tasting both bottles tasted very old indeed: almost a dying wine. Nor did vintages that I know still to be very fine, such as 59 and '53, show as well as they should have done.

On the other hand, there was no doubt that the Latours mostly came out very well, though some showed as closed up or lacked distinction, perowing to long opening. The vintages of Latour that I particularly liked were '75, '73, '71, '70 (but very tannic and backward), '67, '66, '64, '62, '61 (particularly good), '60, '55, '52 and '45. The Lafites that appealed to me were '79, '78, '76, '75 (very tannic), '70, '66 (but lighter than expected), '61 (but not as good as Latour), '60, '59, '53 and '45 (still tannic). Whatever the always-difficult problems demonstrated of how long a wine should be opened before being drunk, this was a remarkable tasting. Even the assembling of the wines was no mean feat on the part of Luc Lacerre, who had no commercial motive in

Questions with few answers

GARDENING

ARTHUR HELLYER

HAVING DECIDED to go east instead of west this year in search of winter sunshine, I was rather surprised to be greeted in Kenya by almost exactly the same plants I would have found in the Caribbean Islands or, presumably, in any other sultry resort.

There they all were in the gardens of hotels and game reserve lodges: croton and canna, rose hibiscus, amaranthus, yucca, sanservieria, allamanda, coleus, jasmine, cassia, caesalpinia, ponciana, all the wandering Jews (whether botanically tradescantia orzebrina), rhoeo, dieffenbachia, ixoraa, varigated philodendron and euphorbia, lantana and frangipani.

Reigning over them all, in a weiter of luxuriant colour, was the bourgainvilliea. This remarkable climber from South America has an astonishing range of adaptability, for it is almost hardy and certainly just as much at home beside the breezy beaches of Spain, France and Italy as in the steamy heat of Mombassa and Malindi.

It was one of the plants I was recommending most strongly a few weeks ago for moderately-heated conservatories; and, though I do not think that British nurseries can yet offer quite the range of colours that I saw in Kenya, I do not see why anyone with a little enterprise could not import them, nor why they should be any more difficult to grow than those we have already.

I had not fully realised to what an extent the plants I have just named had become the lingua franca of international great number of palms, cordylines, eucalyptus and other heat-tolerant trees. Many plants, when transferred in this way from one continent to another, and established themselves in the wild (to the annoyance of botanists who, for some reason, do not accept man as a natural distributor of plants though they are quite happy when the transfer is effected by birds or ocean currents).

In Kenya I found the mix-up particularly confusing, since I had not gone with any intention of botaising, even in the most amateur way, but with the idea of concentrating for a change on the abundant game in the reserves. This proved to be just as compelling as the travel brochures had promised yet, with all these splendid beats to engage me, my attention kept slipping away to the plants, nearly all of which were strange. In fact, the variety was bewildering and I have no doubt that the vast maporitv were genuinely native but precisely what most of them were I was unable to determine.

The baobab tree was, of course, immediately recognisable because of its enormously-distended trunk and its eccentrically-deciduous habit that causes some trees to be quite bare, while others remain fully clothed and yet others have leaves on some branches only. Some of the abundant acacias and albizzias looked much the same as those I have seen in Arabia and South Africa, but t least one kind had handsome yellow bark and was entirely new to me.

In the Tsavo West reserve, what appeared to be a spider sheets of pale pink in the dry grass, rather like cuckoo flower in a moist English meadow, but it was certainly not the same spider flower that we cultivate in our gardens. For many miles we drove through drifts of attractive sages, purple and white, and there also appeared to be morning glories, one of which sprawled out on to the hot beaches of the Indian ocean but no one could identify them for me.

Thanks to a highly-coloured book called African Blossoms, published in Hawaii, I was able to identify Rhamphicarpa heuglinii, a pretty carpeter that stayed with us for many miles of our journey looking rather like a pale lavender periwinkle. But this book was completely unreliable as to origin since it was equally happy to include as African the hippeastrum from the Andes and the sisal from Mexico. The latter is an important crop in Kenya, grown in vast acreages both on the plains of the coast and the high plateau of the Serengeti.

Sisal one could understand. It had been imported for its fibre. But what was one to make of coraleeta (antigonon), a charmingly-named but invasive weed of the Caribbean that looks like a rosy Russian vine (and, in fact, belongs to the same family) but has never to my knowledge been used as a *garden plant anywhere.*

Yet there it was in Malindi, scrambling up into a poinciona tree. Hhad it got there as a stowaway and was it destined to become as much of a beautiful nuisance there as it is in Antigua? I shall probably never know the answers, but I do recommend any plant-minded traveller to Kenya to take a good book on the flora of East

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The tyranny of numbers

IT HAS BEEN red-face week for the Government. Last Saturday the Press office at 10 Downing Street was briefing journalists, accurately but misleadingly, on the Prime Minister's distaste for intervention in the currency markets. We wouldn't "throw money at the pound," in a characteristically resonant Thatcher phrase. Unfortunately this was read as meaning that the Government didn't care what happened to the pound.

By Monday the Government had to prove the opposite in a costly and distasteful way by raising interest rates, and then suffer a bad press for its pains. By the end of the week, doctrine had been thrown to the market wolves; Britain happily joined in a five-power declaration that if the exchange markets got out of hand again, we would . . . throw money at them. A week is a long time in politics, as the man said.

What has happened — and it is a satisfying example of poetic justice — is that the Government was tripped up by its own Achilles heel, which in economic terms is a strong tendency to numerolatry (a word we have invented to describe uncritical attachment to target numbers). Look after the pence represented by the numbers in the Medium Term Financial Strategy — the PSBR and the various measures of the money supply — and the pound will look after itself; that was the belief until about 10 days ago.

Perceptions

Unfortunately the markets are still more attached to mystic numbers than any minister can be, and especially round numbers. For some time now traders have had their eye on the roundest number you could imagine: pound-dollar parity. The fact that such a rate makes no economic sense, as Mrs Thatcher rightly told the economists who listen to Woman's Hour, is totally irrelevant;

It is exactly at times like this that central banks can most effectively alter the market's perceptions by engaging in some speculation on their own account. The Bank of England's battle honours are filled with heroic tales like the Friday when the Bank bought every pound available in Paris while the dealers were enjoying expensive lunches celebrating the profits they thought they could see on their short positions. The Bundesbank can look back only a couple of months to when its timely moves unleashed such a flood of stop-loss orders on the Chicago futures market that the dollar dropped vertically for three days. A week ago yesterday they were all itching to try again, but were over-ruled politically.

The politicians argue that these interventions don't change anything permanently. This is largely true, but it misses the point. The aim is much more temporary: to make speculation a risky business, and thus to prevent the chart-followers simply taking charge. Even the risk that this may happen keeps speculators nervous; that is why the open statement that we would not intervene was so disastrous. It declared risk-free open house for speculation.

Real issue

There is another sense in which intervention has proved ineffective, and this is no doubt what Mrs Thatcher has had in mind all along. It has too often been used in the past in the hope of reducing market pressure for necessary and unpleasant economic action — to sustain unrealistically high exchange rates. This does not work, but was not the issue last week.

The real issue, which was unfortunately not faced at the five-power summit, is how far it would be sensible to satisfy the world market demand for dollar balances by privatising part of the world's dollar reserves — and accepting the fact that this would produce an apparent overshoot in U.S. monetary growth, and an undershoot everywhere else.

This *world* monetary targeting, long espoused by some leading academics, would stabilise an important set of numbers — the exchange rates at which trade is settled — by destabilising a second set, *domestic* monetary targets. The politicians are not ready for anything so sophisticated.

Meanwhile, the numbers game continues at home. Mr Nigel Lawson is struggling with a borrowing requirement which is running over target; his latest wheeze is to reduce it by holding up payment of regional grants. This is a step towards the old French system of public expenditure control: in a squeeze, the Government doesn't pay its bills. It failed to impress parliament or the markets—which noticed that the borrowing has simply been pushed into next year, where it will reduce the scope of tax cuts.

At the same time Mr Patrick Jenkin has announced that he is giving up one set of targets—the spending targets for local authorities which have produced such random casualties. This is a small victory for common sense. And the British equity market has finally achieved its own magic number and pushed the index through 1,000. Now that brokers can turn their attention back to reality, we'll see if it stays there.

BTR BIDS FOR DUNLOP

Sir Owen springs his trap

By Richard Lambert

BRIGHT and early on Thursday morning, a flutter of activity was discernible in one of the more obscure corners of the London stock market.

Stockbrokers Hoare Govett started to bid 75p for the 5½ per cent preference shares in Dunlop Holdings, and since the shares had been languishing at 33p, the brokers quickly found a dozen large investors who were willing to sell 4m, representing just over a quarter of the total.

That investment of a modest £3.1m appears to have given BTR, one of Britain's largest and fastest growing conglomerates, a hammerlock on Dunlop's future.

The purchase will enable BTR to block Dunlop's desperately needed capital reconstruction, which was announced this week after months of painful negotiation. As a result, it could present Dunlop's directors, shareholders and bankers with a stark choice. Either they must accept the bid for the whole company which BTR launched yesterday morning—or face the distinct possibility of financial disaster.

This looks like opportunism of the highest order, yet BTR has had its eye on Dunlop for at least five years. Sir Owen Green, under whose leadership BTR has grown within the space of 20 years from an obscure rubber products business to a group which made around £270m pre-tax in 1984, said yesterday that the key moment came in 1983. That was when Dunlop bit the bullet and sold its troubled tyre operations in the UK and on the continent to Sumitomo of Japan.

As Dunlop struggled to re-establish its financia position in the closing months of last year, first under the chairmanship of Sir Maurice Hodgson and then under Sir Michael Edwardes and his new team, BTR was sniffing around on the sidelines. It was interested in picking up individual Dunlop activities, or possibly even the whole business. But any discreet overtures do not seem to have been welcomed.

Sir Owen Green (left): relentless dedication. Sir Michael Edwardes (right): under threat

Moreover, BTR had no reason to rush. Until Dunlop's disclosures this week, the seriousness of its position—and the willingness of its bankers to lend their support — were both unclear.

Even now, as Sir Owen is quick to point out, there are many unanswered questions. These incude the financial outcome for 1984 and the scale of any further provisions against lossmakers. But the broad outlines of the balance sheet are there, and so are the bankers' commitments — which Sir Owen is confident will be extended to BTR if its bid is successful.

In tactical terms, BTR has secured another strong card. As part of the reconstruction, Dunlop's shareholders have been asked to put up new money at 14p per share. They know that such an investment would still carry significant risks, for Dunlop's future as an independent company remains very uncertain. They also know that their interests in the equity stand to be heavily diluted by the reconstruction plan.

/In the circumstances, BTR's offer of 20p per share may be a real temptation, even though it is well below recent stock market prices.

There could hardly be a stronger contrast than that between the performance of the two companies over the past 20 years. BTR's transformation began in late 1966, when a new central management team was created with a single minded philosophy. "Growth is the goal, profit is the measure, security is the result," is its often repeated slogan. The group is highly decentralised—its London headquarters looks like a rather shabby council office—and is ruthless in its attention to the bottom line.

"We like to put forward goals which are rather ahead of what *individuals think they are* capable of achieving," says Sir Owen, a man who at 59 retains the commitment and physical energy of a bible belt evangelist. An accountant who started work for BTR in 1958, Sir Owen appears to live and breath the business.

Over at Dunlop, it has been a very different story. The company has a long history of technical and marketing achievements, but it had appeared indecisive and worse in a period when its core business—tyres—was gong through a period of rapid change.

"We believe that over the years, Dunlop lacked some sense of purpose and commitment to the bottom line," Sir Owen comments politely. "It may be that they were prisoners of their past."

Whatever the reason, Dunlop's future will be very different if it comes into BTR's empire. After the acquisition of Thomas Tilling in 1983 for £637m, BTR removed all but one of the board and put Tilling's elegant Mayfair headquarters on the block. Its own central staff was increased by only a handful of people, mostly those involved in managing Tilling's pensions. After a few minor disposals, Tilling has registered "substantial improvements"

Most of Tilling's middle and lower level of management remains unchanged, and Sir Owen says that Dunlop's management at this level is also "earthy and contemporary"—which in his language is a term of high praise.

He also claims that although the overlaps between the two groups are modest—no more than a few million pounds in turnover terms, BTR's top executives have a good feel for most of Dunlop's activities. BTR started life as the British Tyre and Rubber Company, and in the late 1960's—when it merged with Leyland and Birmingham Rubber Company — it was actively involved in the rationalisation of the British industrial rubber products industry. It also has experience in aviation and sporting goods and —thanks to Tilling—in consumer products and general distribution.

The outcome of the bid will be decided by Dunlop's bankers as well as by its shareholders. Even with shareholders' funds of around £900m, BTR would be hard put to buy a company with over £400m of debt and very little equity. So the offer is conditional on the banks agreeing to provide Dunlop with facilities of £320m, and to convert £100m of their loans into redeemable preference shares in BTR.

This will be an area for delicate negotiations. Although BTR may have something like a doomsday weapon in its hands, it would hardly suit its long term goals to indulge in brinkmanship with some of the world's most influential banks.

If the bid is successful, the financial returns could be substantial. In return for a very modest increase in its share capital and a *manageable rise in* its balance sheet gearing, BTR would be adding something like £1.3bn to its current sales total of roughly £3.3bn. The group expects its businesses to make profits averaging at least 10 per cent of sales, and suggests that Dunlop should be no exception.

Back in 1980, BTR held a conference near Gatwick airport for its managers from around the world. In a speech brimful of boisterous confidence, Green told his executives that the group should be capable by 1990 of handling sales of perhaps £5bn and profits of £500m to £600m pre-tax, well over ten times the then level.

To an outsider, the idea seemed faintly ridiculous. Today, it may even look conservative.

ON THURSDAY this week Sir Michael Edwardes, new chairman of Dunlop, became £1.3m richer, at least on paper. But yesterday's dramatic intervention by BTR threatened to nullify the generous stock option deal through which Sir Michael and two close colleagues who have also joined Dunlop have been offered rights to buy a total of 47m "A" shares at 14p each.

Sir Michael's paper profit arose because Dunlop's share price stood at the equivalent of around 19¼p when trading was resumed on Thursday after several weeks' suspension. The sums are somewhat hypothetical, because none of the options could be cashed in before 1987.

MAKING A KILLING ON STOCK OPTIONS

In other companies, however, top executives have already profited handsomely from similar incentive deals. At Sir Michael's former company ICL, for example, Dr Robb Wilmot appears to have earned something like £700,000 on options on 1.4m shares granted when he was brought in as managing director to pull round the failing computer group in August 1981. His 40½p options became very valuable when STC mounted a 90p a share take-over last autumn.

And at Turner & Newall, Sir Francis Tombs has collected a contingency fee of some £540,000, representing the increase in price between 23p and 50p on 2m shares held by the company's bankers. Nor is that all. Sir Francis was also granted options by Prudential Assurance to buy 500,000 shares over three years at 30p. With the share price currently around 113p, that could be worth another £400,000 or so.

It is not as though such top executives have risked everything on share gains. Dr Wilmot was given a salary of £150,000 a year and ICL bought a near-£300,000 house for him to live in. Sir Michael Edwardes is being paid, or, perhaps, was to have been, £156,000 a year by Dunlop.

On the face of it, Dr Wilmot and Sir Francis appear to have earned their keep—but was it really necessary for them to receive such immense rewards? Both the size of the share options granted to Sir Michael and his two colleagues and the accompanying service contract (implying generous compensation for loss of office) have offended some businessmen.

There is also unease at Westminster about generous share options and other incentives becoming standard elements of corporate rescues. Conservative MP Mr Anthony Beaumont-Dark, for example, is planning to propose amendments to forthcoming investor protection legislation to restrict such option deals.

"The great thing in life is to encourage everybody, not just the few," Mr Beaumont-Dark argues. Capitalism has to be seen to be fair."

According to a survey just completed by Mr Kim Schwarz, of Inbucon Management Consultants, share options remain a relatively uncommon way of providing incentives to UK managers. Far more popular are performance - related bonuses linked to some type of financial yardstick such as pre-tax profits or beating budgets.

The use of share option schemes has been strongly influenced by changes in the tax rules. The last Labour Government killed off most schemes by subjecting the total gain to income tax. However, last year's Finance Act, which exempts approved executive share options from income tax has revived interest.

The Inland Revenue reports that by the end of December, 900 groups or individual companies had submitted share option schemes for approval.

Sir Michael Edwardes' share option deal was designed to take maximum advantage of the tax concessions in the 1984 Finance Act. But part of his gains would be subject to income tax as the concession is limited to a share value of only four times the directors' salary, in Sir Michael's case to £624,000.

Some companies nevertheless extend their share option schemes to a large number of middle and sectional managers to encourage them to take a group-wide view. GEC's scheme extends to 11,000 managers out of 170,000 employees. But other companies use it as an incentive only for those managers that are able to influence company performance perceptibly. The new Marks & Spencer scheme is only for 30 to 40 executives. The Trusthouse Forte scheme covers just eight.

Recent studies in the U.S. have in any case cast doubts on the usefulness of share option schemes or other long-term incentive plans related to company earnings as an incentive to better performance.

Barry Riley and Clive Wolman

Letters to the Editor

Investing wisely

From Mr D. Damant

Sir,—I do not think that Mr Arthur Carter (January 12) and I are in substantial disagreement. He supports the view that the market is efficient with respect to major capitalisation stocks but that it "does not correctly price 'riskier' securities." But this latter remark can be restated: it is possible that the market is extremely risk-averse and that institutional investors (and perhaps many private investors) are quite happy to allow profits to be made by Mr Carter, or recovery funds, rather than buy the riskier shares themselves.

Buying shares in a company in a disastrous position does not appeal to someone in a position of fiduciary responsibility, such as the manager of a pension fund. In the U.S., such a purchase may have exposed the manager to a legal penalty for irresponsibility. Many funds have liability constraints—in a market setback a pension fund holding highly volatile shares may become exposed actuarily and the parent company may have to top up the fund at a time when the company itself, because of the economic conditions, is very short of cash. Mr Carter has taken one big and continuing bet—that there will be a long term bull market; many funds however cannot afford to persist "through the worst years of the recession, despite consistently poor results."

If enough recovery funds were established, the perceived undervaluation of the riskier stocks would be reduced. But such funds would always spread risk further than Mr Carter and I suspect that there would still be some scope for the exceptional degree of risk taking which (as I said in 1977) a private investor can accept.

I see from his article that Mr Carter in fact agrees with me establishes an investment portfolio for a Cathedral charity, what is his approach? He follows "a policy of masterly inactivity, appropriate to its charitable status."

David C. Damant,
Quilter Goodison & Co.,
31-45 Gresham Street, E.C.2.

Currency stability

From Mr P. Robeson

Sir, — Nicholas Colchester (January 10) always writes interestingly on exchange rates. But the divergencies between actual market rates and calculated purchasing power parity rates have been with us for many years—always assuming of course, that the calculation of PPPs can be accepted as being based on appropriate data and base dates. The underlying reasons—the preponderance of capital flows especially in markets for major investment currencies and the continued, if declining, divergence of local production costs —are unlikely to go away short of, probably unacceptable and certainly economically disruptive, changes in structural international monetary and fiscal policies and controls.

The implication in his last paragraph that membership of the exchange rate mechanism (ERM) of the European monetary system (EMS) "has sufficient clout" to dampen the excesses of currency markets would not hold for sterling. While currency markets have recognised and learned to live with a strong (and on many bases over-valued) dollar, they also rightly see the EMS as a D-mark bloc moving like seaweed on the floating dollar tide. While the dollar is strong intra-EMS stability persists. Let the dollar collapse and all the "combined might of government policies" would be hard put to stop the circumstances that would lead to a new EMS re-alignment.

Sterling, as one of the very few major international invest- of any consequence), is inevitably more volatile than other — less investment-orientated — currencies largely because of the responsiveness of capital account traders to perceived and anticipated trends in currency markets. This is why it is undesirable, in a floating dollar world, to attempt to have sterling pegged in a fixed-but-adjustable exchange rate structure like the ERM to the D-mark and its satellite currencies.

In the Federal Trust's report published last November, on which Mr Colchester commented so comprehensively at the time, it was said that the "exchange controls imposed by many governments . . . are the most fundamental barrier to efficient capital markets in the EEC." Let these be removed before contemplating sterling's participation in the ERM. The divergencies of market rates from PPPs in Mr Colchester's tables vis-a-vis the D-mark naturally show the U.S. dollar as most out of line (by about 36 per cent): but all the other currencies (yen, sterling, French franc and Italian lira) are within a fairly narrow divergence range of from 9¼ to 14½ per cent (with the lira the most divergent) so that ERM participation does not seem to have had much effect.

P. W. R. Robeson,
Thatchers,
Happisburgh,
Norwich.

Transport policy

From Mr A. Dalgleish

Sir,—While I have every sympathy with Councillor Derek subsidies (January 3), there is a need for change in the way in which public transport is provided in areas of low demand. Most counties subsidise services by a monopoly supplier of public transport, the local bus company. The consequence is an inflexible service provided by buses too large for the task, which run almost empty. Eventually the cost becomes insupportable and the services are terminated, leaving many stranded.

Putting these services out to tender should result in quite different solutions to the problem. A taxi company might offer a service on demand, a parish council arrange for one provided by residents in their own cars, the Post Office might tender for a postbus. These alternatives could each provide a better, cheaper, more flexible service than that from the traditional empty bus. Some involve an element of self-help, to wean us from dependence on central authority.

Angus Dalgleish,
Shouson Hill,
Furzbury Road,
Chertsey, Surrey.

Shortage of skills

From the Managing Director, Rhoden Partners

Sir,—No, Mr Greenaway (January 12) we have not found the skills we need abundant in any age group. Forty five per cent of our special-purpose machine designers are over 50 years of age. We benefit from their experience and dedication and would gladly employ more of them—we have no age bar—but the receptiveness to new which we also require are more likely to be found in ambitious younger people.

And how will the mature engineers of skill and experience be replaced on retirement if the situation described by Mr Miskin on December 27 is allowed to develop?

G. Wittenberg,
231 The Vale,
Acton, W3.

Drug companies win

From the National Officer, General, Municipal, Boilermakers and Allied Trades Union.

Sir,—There has been a great deal of shadow boxing going on since the Government announced that it was to introduce a restricted list of medicines for prescription through the NHS. The Government claims that its action will "save the NHS" around £100m and "reduce prescriptions." The drug firms claim that this is an attack on the doctors' right to prescribe what they (the doctors) consider best for patients.

In fact the Government plan will not reduce the number of prescriptions issued as doctors will simply prescribe the generic alternative instead of the higher priced brand name drug. The drug companies can then, through secret price deals with DHSS, compensate by increasing the price of generics and they will then have a private monopoly on these brand name drugs to be excluded from the DHSS list which can still be obtained —but on private prescription—at a price to be determined by the drug companies.

This union, with over 90,000 members in pharmaceuticals and in the NHS, has always supported the view that wherever practicable generic drugs should replace the high-priced brand name drugs. At first sight one could be forgiven for believing that the DHSS move is a big step towards that objective—it

There is an alternative which both saves NHS money and does not interfere with clinical freedom. On February 9 the Generic Substitution (National Health Service) Bill gets a second reading. This private member's Bill was introduced by Mr Laurie Pavitt MP on December 7. I strongly support this Bill. It follows the objectives of the Greenfield report—commissioned by the DHSS but then rejected by Messrs Fowler and Clarke.

It took months of pressure to get the Secretary of State, Norman Fowler, to publish that report only to find that—following a cursory period for "consultation"—it was to be ignored.

Those who support the concept of a national health service should reject both the DHSS limit on drugs and the tongue-in-cheek advertising campaign of the Association of the British Pharmaceutical Industry.

If the DHSS plan goes ahead doctors' rights will be interfered with, patients who need essential drugs will be compelled to pay the drug companies' "market price" and the NHS will have suffered yet another setback.

The pharmaceutical companies will be crying all the way to the bank!

It was reported that the general reaction of the City was that the new proposals could prove very favourable . . . for the drug firms! Beechams, Boots, Reckitt and Colman for example can anticipate a boost from the sales of "over the counter" drugs, Glaxo already produces generics and can expect a boost as a result of the Government's action.

The crocodile tears of the drug firms fall on stoney ground. It will be interesting to see whether they curtail their financial donations to the Conservative Party as a result of the Government's announcement.

David Warburton,
Thorne House, Ruxley Ridge,

BASE LENDING RATES

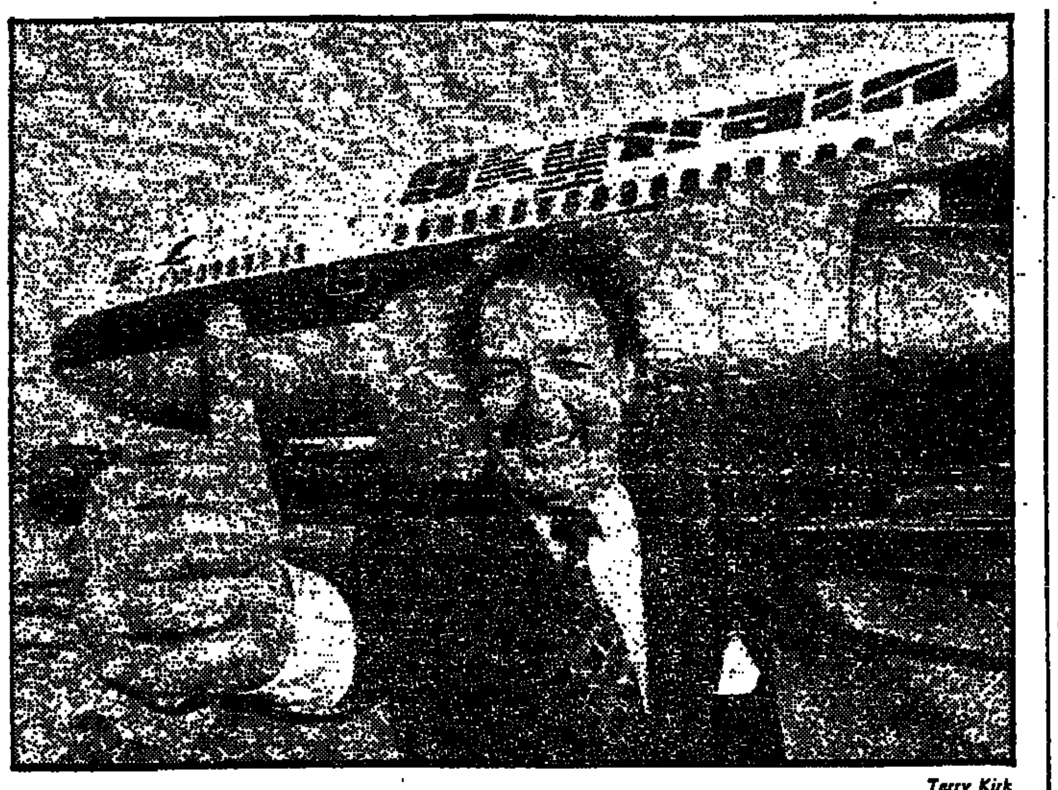
A.B.N. Bank	12 %	Johnson Matthey Bkrs.	12 %
Allied Irish Bank	12 %	Knowsley & Co. Ltd.	12½%
Amro Bank	12 %	Lloyds Bank	12 %
Henry Ansbacher	12 %	Mallinhall Limited	10 %
Armco Trust Ltd.	12½%	Edward Manson & Co.	13 %
Associates Cap. Corp.	12 %	Meghraj and Sons Ltd.	12 %
Banco de Bilbao	12 %	Midland Bank	12 %
Bank Hapoalim	12 %	■ Morgan Grenfell	12 %
BCCI	12 %	Mount Credit Corp. Ltd.	12 %
Bank of Ireland	12 %	National Bk. of Kuwait	12 %
Bank of Cyprus	12 %	National Girobank	12 %
Bank of India	12 %	National Westminster	12 %
Bank of Scotland	12 %	Norwich Gen. Tst.	12 %
Banque Belge Ltd.	12 %	People's Tst. & Sv. Ltd.	13 %
Barclays Bank	12 %	Provincial Trust Ltd.	12½%
Beneficial Trust Ltd.	13 %	R. Raphael & Sons	12 %
Brit. Bank of Mid. East	12 %	P. S. Refson	12 %
■ Brown Shipley	12 %	Roxburghe Guarantee	12½%
CL Bank Nederland	12 %	Royal Bk. of Scotland	10½%
Canada Perm'nt Trust	12 %	Royal Trust Co. Canada	12 %
Cayzer Ltd.	12 %	■ J. Henry Schroder Wagg	12 %
Cedar Holdings	11 %	Standard Chartered	‖12 %
■ Charterhouse Japhet	12 %	Trade Dev. Bank	12 %
Choulartons**		TCB	12 %
Citibank NA	12 %	Trustee Savings Bank	12 %
Citibank Savings	¶10¼%	United Bank of Kuwait	12 %
Clydesdale Bank	12 %	United Mizrahi Bank	12 %
C. E. Coates & Co. Ltd.	12½%	Westpac Banking Corp.	12 %
Comm. Bk. N. East	12 %	Whiteaway Laidlaw	12½%
Consolidated Credits	12 %	Williams & Glyn's	12 %
Co-operative Bank	*12 %	Wintrust Secs. Ltd.	12 %
The Cyprus Popular Bk.	12 %	Yorkshire Bank	12 %
Dunbar & Co. Ltd.	12 %		
Duncan Lawrie	12 %		
E. T. Trust	12½%		
Exeter Trust Ltd.	12½%		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	11 %		
■ Robert Fleming & Co.	12 %		
Robert Fraser & Ptns.	12½%		
Grindlays Bank	‡12 %		
■ Guinness Mahon	12 %		
■ Hambros Bank	12 %		
Heritable & Gen. Trust	12 %		
■ Hill Samuel	§12 %		
C. Hoare & Co.	†12 %		
Hong Kong & Shanghai	12 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8.75%, 1 month 9.50%. Fixed rate 12 months £2,500 8.75% £10,000 12 months 9.00%.
† 7-day deposits on sums of under £10,000 8¼%, £10,000 up to £50,000 9¼%, £50,000 and over 10¼%.
‡ Call deposits £1,000 and over 8¼%.
‖ 21-day deposits over £1,000 10%.
¶ Mortgage base rate.
§ Demand deposits 8¼%.
** See Provincial Trust Ltd.

LAKER'S U.S. ACTION

A deal that BA may find hard to clinch

By Duncan Campbell-Smith in New York



Terry Kirk

Sir Freddie Laker during the Skytrain era

ON JULY 16, 1981, Sir Freddie Laker could have been seen clambering over the rooftops of the Victoria Air Terminal, trying to find his way via "a somewhat devious route" to a rendezvous with a group of British Airways executives. The purpose of the meeting was to discuss air fares on the North Atlantic.

Or that, anyway, is the version of events recounted before a U.S. Grand Jury in November, 1983 by Mr John Jones, *a former senior executive of* Laker Airways and Sir Freddie's companion on his mission across the rooftops that day.

Mr Jones's Grand Jury testimony, placed on the public record in Washington just five weeks ago, chronicles a startling history of covert meetings between executives of BA and Laker Airways at which the two airlines allegedly connived together to arrange price schedules for transatlantic air fares.

It provides a telling clue to one of the key difficulties which now stand between BA and a resolution of the U.S. legal problems still impeding the airline's path to the private sector.

For BA has set itself a deadline of January 31 by which to find an out-of-court settlement of the pending ani-trust suit brought against it and nine other airlines including British Caledonian by the liquidator of Laker Airways. But BA needs that settlement to be acceptable to all its co-defendants — and as the days slip by, it becomes more evident that the other airlines are as opposed as ever to be generous for Laker, given the growing weight of evidence against its case. All that pressure for a settlement, in other words, is coming from BA.

More attention has been focused in recent weeks on the talks initiated by BA and its legal advisers, Linklaters and Paines, with the various creditors of Laker—and, indeed, with Sir Freddie Laker himself—who can expect to be on the receiving end of any settlement.

BA has ample problems in this direction, too. Virtually all of Laker's creditors have now privately expresesd themselves open to a formal approach but the biggest of them have barely begun to negotiate in terms of hard figures.

And beyond its co-defendants on the one hand and the Laker creditors on the other lies a third dilemma for BA: how much should it be prepared to pay off its own bat for a settlement which can now be clearly seen to carry a premium value to BA as the precondition for its privatisation.

BA will be keen to avoid a price which might impose any real financial strain on its presale balance-sheet; but it is a political judgment too. The Government and Whitehall appear more anxious than ever to see the airline's U.S. litigation troubles resolved and might be expected to take this into account in future discussion on the shape of BA's balance-sheet.

But BA's first and foremost problem today probably lies with the attitudes of its fellow defendants against Mr Christopher Morris, the Laker liquidator who is suing them for $1.05bn in a civil anti-trust action in Washington's Federal District Court. On at least three significant counts, they now appear increasingly reluctant to settle out of court.

First, in May 1984, the U.S. Justice Department dropped its own criminal inquiry into the charge that a 1981 rescue package for Laker had been spiked by the nine airline defendants telexing McDonnell Douglas with ultimatums — described at the time as "nastigrams" — threatening to sever their own business links with the Californian company unless it pulled out of the rescue. The Justice Department simply could not find a case to answer; but it remains central to the civil anti-trust allegation.

Second, it has become known in Washington that the Justice Department decided before last November that it would *not* bring a predatory pricing charge against any of the defendants. A predatory conspiracy is the very essence of the civil case. This has never been publicly acknowledged by the Department, which closed its Grand Jury inquiry at the behest of President Reagan on November 19 and made no statement about its progress to date. Nevertheless, it is beyond question that the Grand Jury found the evidence to be insufficient for any predatory indictment in a criminal case —and the co-defendants and their lawyers have evidently drawn much private comfort from that. (The significance of the word predatory in this context is that the prices so described are alleged to have been deliberately fixed with the aim of killing Laker's business.)

In the wake of these developments, much of the wider legal interest surrounding the civil case has concentrated on a third charge, namely that Laker was damaged by a general conspiracy among the airlines to fix prices together.

But on this score, all the defendants' lawyers — with the possible exception of those advising BA itself — have turned with understandable relish to the testimony of Mr Jones. Indeed, his evidence to the Grand Jury is remarkable enough to merit quoting at greater length. For example:

"They (ie, the Grand Jury) *asked whether I though Monks* (Mr Bernard Monks, a BA executive) was aware that discussions (between BA and Laker) were a breach of U.S. anti-trust violations (sic) and I explained that I thought it very likely as during the period of five years that we'd been speaking to British Airways phrases like "the illegal telephone" or "the secret telephone" had been used. I was aware on one occasion that a British Airways official flew to New York to have discussions face to face rather than use the telephone at all. . . ."

THE AIRLINE CO-DEFENDANTS

British Airways
British Caledonian
Pan American
TWA
Lufthansa
Swissair
Sabena
KLM
UTA
SAS

McDonnell Douglas and the McDonnell Douglas Finance Corporation are the other two defendants.

In short, it might be rash to assume that BA's co-defendants will rush to underwrite any settlement proposal put forward by "the world's favourite airline" in the coming weeks. Mr Hoffmanh acknowledged that Counsel at TWA, which is one of the two U.S. defendants, put it a few days ago: "I don't see BA's privatisation as having anything to do with TWA's interests one way or the other. Whatever is motivating BA will have no effect on TWA's decision."

At the same time, however, Mr Hoffman acknowledged that BA's desire to settle does offer us an opportunity." The fact is that all the co-defendants would probably be delighted to settle at the right price.

This is easy to understand. To start with, they are having to cope with enormous legal costs, most of which the U.S. legal system renders irrecoverable. Partners in big U.S. law firms typically charge $200 to $300 an hour for their services. BA itself might be spending over $500,000 a month on legal advisers at present.

The 29 volumes of legal documents on this case filed in the U.S. Court House in Washington since December, 1982 do more than reflect the gargantuan complexity of the action, morever. They also attest to the intense efforts made on Laker's behalf by Mr Robert Beckman, its U.S. counsel for many years past.

He still argues its case with a passionate belief that Laker's Skytrain was bullied by the big carriers from the moment of its birth in 1977 and was ruthlessly picked off by them in the autumn of 1981 when its fortunes were at their lowest.

Hanging on a wall in the plush Washington office of Mr Beckman's firm is a framed notice of the sitting of the House of Lord's Appellate Committee last summer to hear Laker's application for its suit to go ahead in the U.S. in defiance of a UK court of appeals injunction. It is a reminder of how long and how hard his party has had to labour to get this far and Mr Beckman can be guaranteed to fight until the very last on Laker's behalf.

So what, as they weigh up the prospects for their defence against the present complexion of the case, might strike BA's co-defendants as a fair settlement price? None has yet shown its hands in public for obvious reasons; but BA might be being unduly optimistic if it is hoping to see them accept a price much in excess simply of the anticipated legal costs of a full trial.

Perhaps this might mean $2m-$3m from each of the seven European airlines. Even assuming that the three U.S. defendants were prepared to pay a little more — if only thanks to their heightened awareness of the nuisance factor of anti-trust suits — it still looks reasonable to regard $35m-$40m as the very most that BA could really hope to extract from all its co-defendants

This leads on directly to the second, more predictable problem for BA — deciding how much, or rather how little, it can hope to persuade the creditors to accept. Mr Morris has acquiesced in BA and its solicitors holding direct talks with the creditors and with Sir Freddie. But the profusion of parties involved and the complexity of the larger claims inevitably mean that BA is still far from quantifying any likely settlement, even approximately.

What BA must suspect by now, though, is that $35-$40m would be way short of providing for an instant solution. To cite the example of just one *major creditor*, the Export-Import Bank of the U.S. lent Laker directly or indirectly $161m on its own books. It is still owed $36m of this even after reclaiming mortgaged assets — which has led to fresh legal difficulties on the side—and it can also lay claim to interest arrears of about $40m.

Much the same evidently goes for Mr Morris himself. The Laker liquidator made it quite clear in his latest circular to all creditors, posted on Thursday evening, that he has yet to receive formal settlement proposals of any kind from BA. Even the widely canvassed scheme for repaying small creditors via the jauntily named Ivanhoe Investments subsidiary of BA in Jersey has yet to be presented to him—and Mr Morris was publicly keeping all his options wide open yesterday in parrying press questions about the progress of the civil litigation.

The conclusion from all this must surely be that BA is either being hopelessly optimistic in talking about a rapid settlement, or else has privately come to terms with the fact that it will need to shoulder the lion's share of any settlement — and intends to do so soon.

Should this indeed be the case, BA can surely expect sympathetic consideration from Whitehall for the costs involved.

What Judge Harold Greene, presiding in the Federal Court, would think of any sudden end to the case is a different matter. The judge has fulminated against the two British defendants—British Caledonian, as well as BA—in his court on countless occasions, most recently on December 20. "The tenacity of these defendants in seeking a resolution of this lawsuit everywhere but in the appropriate legal forum," said Judge Greene in a formal opinion, "is remarkable and probably unprecedented."

At least no one can accuse BA of inconsistency.

British retailing

The growing business of convenience

By David Churchill

A FEW years ago nobody in Britain was very much interested in small shops. Today, however, they are among the most sought-after sites in the High Street with American-style "convenience stores" the new dynamic growth sector of British retailing.

Major companies such as Imperial Leisure, a subsidiary of Imperial Group, and Guinness have already moved into the sector, while small food chains such as Cullens have been bitterly fought over by bidders who recognise the potential. The major oil companies are also watching with interest since many tens of thousands of petrol stations could easily include convenience stores as well as petrol pumps.

British shoppers might be forgiven for wondering what is so different about the new-style convenience stores, given the existence in many towns and cities of small corner stores many of them run by Asians. These open late at night and often on Sundays. But, as Mr David Linnell of the "7-Eleven" chain maintains, "British shoppers should completely forget their view on what they think a convenience store is. The U.S.-style convenience store is totally different to anything we have had in the UK before."

The new stores are bright, well-designed shops—similar to fast-food outlets—which offer extended shopping hours and efficient service. The merchandise on offer combines basic foodstuffs, household items, snack foods, hot, cold and alcoholic drinks, with newspapers, cigarettes, and video hire as well.

Staff are attracted to these stores by the fact that they can make substantially more money than ordinary corner groceries.

LATE STOP

"Convenience stores are becoming, and will become, one of the most active and interesting retail sectors seen for years," says Mr John Irish, chairman of the Spar group of grocers which already has converted some 650 Spar outlets into "Eight Till Gate" convenience stores.

Besides these, there are probably only another 100 or so new-style convenience stores operating in the UK, with total annual sales so far of under £300m. But the market potential is enormous.

These convenience stores are about 2,500 sq ft in size (about a seventh the size of the average Tesco) and have to be sited where both pedestrian and car traffic is high.

Sperrings, which operates some 50 or so outlets in the South, has found that 50 per cent of its customers visit a store every day, with the average spend varying between £1.25 and £1.50. Some 70 per cent of sales are in non-foods. The benefit of this style of trading meant that conversion

SPAR

of a small Co-op store into a Sperrings convenience store boosted sales from £3,500 a week to over £11,500.

There appear to be two main reasons for the changes now under way in Britain.

First, there has been a steady growth in the large multiple supermarket chains and their move into ever-larger stores. Tesco, Sainsbury, and Asda, for example, account for some 40 per cent of the packaged grocery market from fewer than 800 stores. Their drive into large stores has left a market gap: people who shop once a week at a superstore invariably forget something and may not want to return for just one or two small items. Hence the convenience store can offer a top-up facility.

The second reason is the changing pattern of British consumers' lifestyle over the past decade. More single people, for example, have created a demand for those who want local shopping for a few items, especially at off-peak times, such as early in the morning or late at night.

This market gap encouraged David Linnell when he left Linfood Holdings in 1981, to acquire the UK licence for "7-Eleven" in the UK. There are over 7,000 "7-Eleven" stores, many of them franchised—and some owned — by a subsidiary of the Dallas-based Southland Corporation, and Linnell has already opened some 15 in the UK. Shortly before Christmas he agreed to a takeover from Guinness because, he says, "the market was potentially becoming more competitive and we needed the investment backing that Guinness could provide."

Guinness looks set to become a major force in the sector since not only is it acquiring the "7-Eleven" chain (which Mr Linnell will continue to run) but it may also develop the Martin's newsagency chain, which it bought last year, into convenience stores.

Competition, however, will be fierce. Late last year Imperial Group acquired 46 confectionery, tobacconist, and newsagency shops called Newsfare for £3.2m to add to its existing chain of over 350 Finlay shops. "We recognise the growing importance of the convenience store shopping market," says Mr Michael Pickard, chairman of Imperial's leisure subsidiary.

BAT Industries had been involved in the sector with nine "John Quality" convenience stores, but sold these last year to Booker McConnell as part of BAT's decision to move out of food retailing.

Booker also has a minority shareholding in Sperrings, the

7 ELEVEN

Southampton-based chain of over 50 stores, some of which are franchised.

Amid all the euphoria of this new sector, some of the more established retailers are staying aloof. "There is still plenty of growth left for us in traditional supermarkets," maintains Mr James Gulliver, chairman of the Argyll group which operates the Presto supermarket chain.

But American operators such as Circle K, Mumford and Conna Corporation are believed to be looking closely at the UK market.

Yet the winners in the convenience store sector in the UK will, for once, not be those offering the lowest prices. Rather, there is a need to understand the type of market gap that exists. "Convenience shops are not about creating new habits but rather about efficiently satisfying a shopping requirement that is as old as the hills," points out Mr Irish.

BUILDING SOCIETY RATES

	Share a/cs %	Sub'pn shares %	Others %	
Abbey National	6.75	7.75	8.00	Seven-day account
			8.50	Higher interest acc. 90 days' notice or charge
			5.50-8.00	Cheque-Save
Aid to Thrift	9.60	—	—	Easy withdrawal, no penalty
Alliance	6.75	7.75	8.00	7 days' notice. Imm. wdl. if balance £2,500+ Int. pd. ½-yrly., mthly. inc. optn. if bal. £1,000+
			8.50	Bank Save. Bal. of £2,500. Current account
Anglia	6.75	7.75	8.50	3-year bond. No notice, 3 months' penalty
			8.50	Capital share. No notice. 1 month's penalty
			8.00	7 days' notice. No interest penalty
Barnsley	7.75	9.50	9.65	Special Inv. 9.85 2 years, 9.65 monthly income
Birmingham and Bridgwater	6.65	7.70	8.05	5 days' not. or 20 days' int. pen. for imm. wdl.
			8.75	90 ds. shrs., 90 ds. nt. or 90 ds. pen. for im. wdl.
Bradford and Bingley	6.75	7.75	8.25	Premium Access. On demand, no penalty
			8.50	Extra Interest—1 mth.'s notice or 28-day pen.
			8.25	Extra Income—1 mth.'s notice or 28-day pen.
Britannia	6.75	7.75	8.30	7 days' notice. 8.55 28 days' notice
Cardiff	8.10	8.20	8.60	90-day notice. Penalty if balance under £10,000
Catholic	7.00	8.00	8.50	Extra share monthly income. 30-day notice
Century (Edinburgh)	8.85	—	9.30	Permanent 2/3 years or variable
Chelsea	6.75	7.75	8.90	3 years, immediate withdrawal interest penalty
Cheltenham and Gloucester	—	7.75	—	Gold. No notice. No pen. Under £1,000, 6.75; Over, 8.25; £5,000+, 8.57 when mthly. int. addd
Citizens Regency	7.00	8.00	8.40	7 days. 8.50 one month, 8.75 three months
City of London (The)	7.00	7.75	8.75	3 months' notice—no penalty—monthly income
			8.45	21 days' not. im. access for amnts. over £10,000
Coventry	6.75	8.00	9.00	2-year bond £1,000+, close 90 days' notice and penalty, monthly inc. opt., guaranteed 2.25 diff. MoneyMaker inst. acc. no pen. 8.60 £20,000+, 8.35 £5,000+, 8.00 £1,000+ monthly inc. opt.
Derbyshire	6.75	8.00	8.75	2 y., 3 m. not. with pen. 8.00 no nt./pn. m. inc.
Gateway	6.75	7.75	8.10	Gold Star £1,000+. No notice. No penalties. Monthly int. £5,000+ 8.41 if added to account
Greenwich	6.75	—	8.75	90-day a/c (7-day a/c 8.00-8.50 subject to bal.)
Guardian	7.00	—	9.10	6 months, 8.85 3 months, £1,000 minimum
Halifax	6.75	7.75	8.00	7-day Xtra, 7 days' notice, no penalty
			8.25	28-day Xtra, 28 days' notice, no penalty
			8.50	90-day Xtra, 90 days' notice, no penalty
Heart of England	6.75	8.00	8.50	90-day notice, 8.00 5-day notice
Hemel Hempstead	6.75	8.25	9.25	90 days: 8.50, 28 days; 8.75, 60 days
Hendon	8.00	—	8.75	7-d. a/c min. £500. 9.25 3 mths. a/c min. £1,000
Lambeth	6.90	8.00	8.30	7-d. a/c, 9.00 Magnum a/c 6 wks. & loss of int.
Leamington Spa	6.85	—	8.60	Spa mthly. Income; no not., no pen. £5,000 min.
			8.50	Lion sh.; 1 m. not. or 28 days' pen. £1,000 min.
			9.15	Supershare; no not., 14 days' pen. £2,000 min.
Leeds and Holbeck	6.65	8.50	8.25	Mnthly. int.; 8.50 28 days' not. or pen. neither if £10,000 still in account
Leeds Permanent	6.75	7.75	8.00	Liquid Gold no not. no pen. HRAS 8.5 3m. not.
Leicester	6.75	7.75	8.00	£500+ im. ac. no pen. 8.95 comp. 3 y. £2,000+
London Permanent	7.25	—	9.25	90 d. not. or imm. wdl. no pen. if bal. £10,000+
Midshires	6.75	8.25	8.75	2-year term 2.00 diff. guar. 3 mth.'s not. or pen.
Mornington	*8.30	7.80	8.50	£2K+, 8.65 £10K+, 8.80 £20K+. *£2,000–
National Counties	†7.05	8.05	9.00	90 days' notice, no penalty. †£1,000+
National and Provincial	6.75	7.75	8.75	HYS (share + 2% guaranteed 3 years)
			8.50	90 days' notice/pen. unless bal. stays £10,000+
			8.25	28 days' not., 8.00 7 days' not./penalty as above
Nationwide	6.75	7.75	8.50	Capital bonds, 3 yrs., 90 days' notice/penalty
			8.50	Bonus-90, 90 days' notice/penalty
			8.25	Super bonus, 28 days' notice/penalty
			8.00	Bonus-7, 7 days' notice/penalty
Newcastle	6.75	8.00	8.50	90 days' notice, 8.25 28 days' notice
			7.75	7 days' notice. On demand with penalty
			9.00	2-year term access with penalty
Northern Rock	6.75	8.00	8.10	Moneyspinner plus £500 or over
			8.35	(£5,000-£19,999); 8.60 (£20,000 and over) 7 days' notice withdrawal, no penalty
Norwich	6.75	8.00	8.50	New City Account, Im. wdl. no pen.
Peckham	7.50	—	8.00	7 d.'s not. 9.00 im. wdl. if over £2,000. Mon. inc.
Peterborough	6.75	8.05	8.75	Flexi-Plus 60 days' notice monthly income
Portman	6.75	8.25	8.50	No notice, 8.75 2 months' notice
Portsmouth	6.90	8.40	9.05	3 years, 8.85 90 days, 8.60 30 days, 8.30 7 days
Property Owners	7.25	8.75	9.00	3 mths., 8.60 28 d., 8.75 6 mths. Effective Dec 1
Scarborough	6.75	8.00	8.75	2-year limited share, 1.75 guaranteed differentl.
Skipton	6.75	8.00	8.60	Sovereign £10,000+, 8.30 £500-£9,999. Monthly inc. 8.30, min. inv. £2,500. Inst. access no pen.
Stroud	7.75	9.00	8.55	3 months, 8.30 £10,000+, no penalty, no notice
Sussex County	6.75	8.40	8.10	7 days' not.; 8.30 sx. ac.; 8.00 share a/c £2,500+
Sussex Mutual	7.25	8.75	8.50	Over £5,000 imm. wdl. Under £5,000 7 days' not.
Thrift	7.60	—	8.60	3-year term. Other accounts available.
Town and Country	6.75	7.75	8.75	90 d. not. or pen. No not./pen. if bal. £10,000+
			8.25	7 d. not. or pen. No not./pen. if bal. £10,000+
Wessex	8.60	—	—	No notice—no penalties—min. inv. £1
Woolwich	6.75	—	8.00	7-day account, 7 days' notice
			8.25	Monthly Income Account, 28 days' notice
			8.50	90-day account, 90 days' notice/penalty
Yorkshire	6.75	7.75	8.50	Diamond key, 28 days' notice or 60 days' pen.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

Viscount Whitelaw is interviewed on the eve of televising the House of Lords

Some reflections of an ex-reformist

By Geoffrey Owen and Malcolm Rutherford

LORD WHITELAW used to be a reformist—a long time ago. He changed his views—"temporarily, though not necessarily permanently"—after what he calls the "fiasco" of the Labour Government's attempt at reform in the late 1960s. It was blocked by an alliance between Mr Michael Foot and Mr Enoch Powell.

But there was, he says, a revolutionary change with the introduction of *life* peerages by Harold Macmillan in 1958. Some of this change is only now taking effect: for example, through the academics, the ex-civil servants, the industrialists and the ex-military leaders, many of whom prefer to sit on the cross-benches, have no allegiance to a political party and would never have stood as candidates in elected politics.

It is a revising chamber and not, like the House of Commons rightly is, the main battle ground for political power. And that's good.

Another key change has taken place in the last year or so. The belief that the Tories have a built-in majority in the Lords has been destroyed. The Government, Lord Whitelaw says, will continue to lose divisions in the Lords if all of the other parties turn against it, plus sufficient of the cross-benchers.

Of course, he adds, we can muster a majority if we make a terrific effort and summon up all our nominal supporters. But you can't do that too often, and even when you do, you can't be sure that your nominal supporters will vote for you. Some of them are very independent.

It has changed, too, because of the very large Tory majority in the House of Commons. Some of the Bills which have run into difficulties in the Lords would never have arrived there, Lord Whitelaw claims, if there had been a Tory majority of only 30 or 40.

When half a dozen ex-Cabinet Ministers vote against a Bill in the Commons — the Heaths, the Pyms, the Rippons, the Ian Gilmours and the David Howells — that should be seen as a warning signal. The present Government does not seem to have noticed.

One of Lord Whitelaw's functions is to advise the Government not to send legislation to the Lords that won't get through. He has not been wholly successful. He thinks, however, that on the measures which the Government has lost in the Lords, the Lords have been broadly right.

They include parts of the Police and Criminal Evidence Bill, the Housing Bill and the reform of local government. The Lords was exercising its revising role. There has not so far been a major clash between Lords and Commons, for the revisions have been generally accepted in the Lower House.

Nor will there be one if Lord Whitelaw has his way. It is clear that he is attracted by the inter-play between the two Chambers. As a former Chief Whip, he sees himself now as straddling the two.

What of the future? Here Lord Whitelaw is much less certain. He thinks that membership of the Lords will be by election, or at least partial election, in the end—say in 10 or 20 years' time. But he is not quite sure how.

Take the question of the bishops, for instance, who have been giving the Tories some trouble and may do so again on Wednesday. Should they be there at all?

The bishops, he suggests, may one day have an enormous quarrel with the House of Commons and find themselves flouted: perhaps over women priests. The Church of England might then prefer to be disestablished. At present, there is an anachronism. Why should not the Catholics or the Methodists be represented as well?

Indeed, what is the explanation for anything? It all grew up as part of English, then British, history. The main thing, says Lord Whitelaw about the House of Lords, is that it is there whether you like it or not. You have to accept it.

For the moment there is no great pressure for change. In any case, you can not change the composition of the House without changing its powers, and all that would have to go through the House of Commons. It would provoke a ferocious, and probably not very relevant, constitutional argument, as it did in the 1960s. So it is better to let it be.

A few years ahead, however, you might have a partially elective system for the hereditary peers. They would get together and choose whom they wanted to represent them in the Lords, just as the Scottish peers used to do until 1959. Lord Whitelaw thinks that would be quite a good idea.

He is much more sceptical about any wider form of election. The trouble is, he says, that many of the best potential life peers—the ex-civil servants and the ex-chiefs of staff—would not wish to *stand* and would not take party labels.

He adds that he does not wish to be unkind, but it would be rather like elections to the European Parliaments: who wants to stand for that? Either someone who wants to use it as a stepping stone to the House of Commons (some very good people have done it), or as a second best, having failed to get into the Commons in the first place. Direct elections to the Lords, he says, would make it a pale shadow of the other place.

You could have an independent commission to choose life peers, including (say) the heads of Oxbridge colleges. But the commission would have to be chosen, and how could you define its independence? It would still have to be given a list by the political parties. There would then be a great haggle. There would be no significant difference in the end, and it would not be a great reform. Lord Whitelaw believes in reform only when it is really necessary.

Not the least anomaly about the House of Lords is the role of the Earl of Stockton. As Harold Macmillan he created life peerages, then became an hereditary peer when everyone thought that the style had gone out, and hopes to speak in Wednesday's debate. He has always been very good on television.

Rationalisation boosts Gestetner

BY STEFAN WAGSTYL

Gestetner Holdings, which yesterday announced the extension of voting rights to all shareholders, has reported pre-tax profits up 20 per cent from £6.86m to £8.25m for the year to November 3 1984 on turnover nearly 7 per cent higher at £366.7m.

The company said the improvement stemmed directly from its programme of reorganisation and rationalisation.

However, after tax of £5.88m (£7.16m restated), extraordinary charges of £7.9m (£6m) and minorities, there was an attributable loss of £5.64m (£6.35m restated).

The extraordinary charges are accounted for by additional provisions for the ending of copier manufacture in the UK and the closure of a German direct sales division, both announced in 1983, and a £3.2m provision for closures and rationalisation to be carried out in the current year.

An unchanged final dividend of 0.82p is to be paid on the ordinary and "A" ordinary (non-voting) shares, making 1.32p net (same).

Gestetner has encountered difficulties in recent years as the market for its traditional product—stencil duplicators—fell away with the advancing popularity of photocopiers. Pre-tax profits fell from a peak of £29.8m in 1977 to losses in 1982 before recovering in the wake of rationalisation in several countries and increased sales of office equipment made by other manufacturers.

The directors said yesterday that 1984 had been a successful year with profits increased and net borrowings down by £9.6m to £95.7m, reducing the ratio between debt and shareholders' funds to 37.5 per cent (46 per cent).

Mr Jonathan Gestetner (left), joint chairman, and Mr David Gestetner, managing director and joint chairman, with the first fully automated micro-processor controlled stencil duplicator—the 4170

The most significant contribution to better profits came from the U.S., where pre-tax losses of £6.9m fell to about £850,000. The U.S. and West Germany, where Gestetner also previously made losses, were now in profit, said the directors.

The directors warn that they are continuing to reassess performance in all areas "and although this may involve substantial cost in the short term, the board is prepared to take the necessary steps to achieve a significant improvement in long term profitability."

Mr David Gestetner, joint chairman with his brother Jonathan, commented: "There are no sacred cows in the company."

Pre-tax profits include operating profits of £13.540 (£13.568), share of associate company profits of £153.000 (£171.000), and interest receivable of £3.08m (£1.5m), and are struck after interest payable of £8.53m (£8.38m).

Turnover breaks down as follows: UK £46.9m (£47.5m); other EEC countries £127.3m (£125.4m); rest of Europe £24.4m (£22m); North and South America £101.1m (£89m); Africa, Asia and Australasia £67m (£59.2m).

Pre-tax profits are divided up between UK £847.000 (£2.33m), other EEC countries loss £2.77m (£1.17m profit), rest of Europe £984.000 (£1.64m), North and South America £3.07m (£3.42m loss), and Africa, Asia and Australasia £6.1m (£5.15m).

Earnings per share before extraordinary items were shown as 4.63p, against losses of 0.73p.

The £5.88m tax charge was estimated at 47.08 per cent (53 per cent) and included an overseas charge of £5.03m (£5.51m). There was an underprovision from previous years, which included a £425.000 charge resulting from an agreement from an Inland Revenue inquiry.

Following this agreement the group has received repayment of UK tax, which had been deferred by the Inland Revenue until the inquiry was completed. The amount received of £1.21m has been disclosed in the source of funds statement. A tax repayment supplement of £489.000 has been credited to investment income.

See Lex

BTR backs Dunlop bid with £100m profit rise

BTR YESTERDAY estimated that its profits had climbed by nearly £100m in 1984 in its statement outlining the £34m bid for Dunlop Holdings, the debt-laden tyre and rubber group.

The diversified construction and industrial and consumer products group reckoned that profits last year were around £270m, which would be equivalent to a 43 per cent rise over 1983's restated £176m.

In addition, the group recommended an effective 41 per cent hike in the dividend to at least 12p net with a final payment of at least 6.25p against 4.5p last time.

BTR said that the Thomas Tilling businesses, acquired in 1983, had shown substantial improvements, and added that prospects for the group as a whole were healthy.

The company said that gearing—net borrowings as a percentage of shareholders' funds—had fallen from 85 per cent at the end of 1983 to about 66 per cent at the end of 1984.

Commenting on the bid, *BTR said that while there* were few direct overlaps between the two companies, there were important parts of Dunlop's businesses (particularly in the engineering and industrial divisions) that operated in product and geographical areas where BTR had extensive experience.

Also, BTR said that Dunlop's consumer and sports divisions would fit well into its broad base, and the U.S. tyre business, in particular, would be an important feature of its expanding U.S. operations.

Making the most conservative assumptions about the level of Dunlop's net worth, *minorities,* and *borrowings,* BTR believed that a pro-forma balance sheet at December 31, 1984 would show similar gearing to that following the Thomas Tilling acquisition.

The terms of the bid are two new ordinary 25p shares in BTR for every 59 ordinary 50p *held in* Dunlop, or a cash alternative of 20p cash for each Dunlop share. The new BTR shares would not rank for its final dividend for 1984.

Dunlop's preference holders are to be offered seven new BTR ordinary for every 55 preference held with a cash alternative of 75p

Morgan Grenfell, BTR's merchant bank, will cover the cash alternatives by taking up the new BTR shares at 590p each free of expenses.

A condition of the deal is that the banks and other institutions that have backed Dunlop's reconstruction agree to maintain Dunlop's £320m *loan facility.*

They would also have to convert £100m of their loans to Dunlop into redeemable preference shares in BTR at terms as close as possible to those proposed for Dunlop's preference shares in the reconstruction document.

● Dunlop's sports division, Dunlop Slazenger International, is selling Jungeling, distributor of the Bullworker range and Gymfit gymnasium equipment, to Terry of Redditch, which manufactures and distributes a wide range of home exercise equipment.

See Lex

Alexander Nicoll on Pleasurama/Trident bid

Going for a full house with a £119m stake

FOR LONDON'S roulette wheels and blackjack tables, the pound's decline is good news. More than three-quarters of the gamblers who pass their evenings at Maxims or the Clermont are foreign, and they have been spending ever - increasing amounts.

Provided that the house is not inadvertently unlucky, that should mean a steady cash flow to casino owners. All the more reason, then, for Pleasurama, an experienced casino operator *which is developing* broader leisure interests, to aim at Trident Television.

There are only 20 casinos in London, and Trident has four of them, including the Clermont and the Victoria. Grants of new licences, through a complex procedure involving the Gaming Board and the courts: are few and far between. Applicants, apart from proving that they are fit to run a casino, must prove that there is unsatisfied demand in the relevant area; not an easy task.

Pleasurama owns only one London casino — Maxims — and has a quarter stake in two others which are majority-owned and operated by Grand Metropolitan, Britain's biggest casino group. The company's 17 provincial casinos "chug on with no great peaks and troughs," says Mr George Martin, Pleasurama managing director, so its long-standing enthusiasm to get greater access to London's high rollers is understanbale.

Trident has been transformed since Pleasurama's first bid for it in 1983—blocked by the Monopolies Commission, but the bar has now been removed—and Pleasurama clearly feels that the divestiture of most of Trident's non-casino interests justifies the doubling of its offer price to £119m.

The sale of Yorkshire Television, and of most of Tyne Tees Television as well as other peripheral holdings has left Trident with liquid assets of £29.5m. Its casinos, meanwhile, have growth possibilities because two of them are moving to potentially more lucrative sites.

Terms of the Pleasurama offer are three 7 per cent convertible preference shares of £1 each in Pleasurama plus 183p cash for every two Trident ordinary voting shares, which are closely held and not quoted on the Stock Exchange. Terms for the non-voting shares are the same except for the cash element, which is 160p. The preference shares will be convertible until 2005 at 10 Pleasurama ordinary shares for every 43 preference. The cash alternative is 241.5p for each Trident voting share, and 230p for the non-voting.

Trident had been an obvious takeover target since recommending the first Pleasurama bid to its shareholders. "Once you've recommended a bid, the 'for sale' sign never really goes away." Mr David Hudd, Trident's managing director, said yesterday.

Pleasurama's bid has been swiftly negotiated and agreed, and carries the recommendation of Trident directors—including the influential stamp of Lord Hanson, its chairman.

The offer commands 38.2 per cent of Trident's voting equity, comprising a 4.3 per cent stake and acceptances covering 28.9 per cent. The acceptances are not irrevocable, but no potential rivals to Pleasurama were apparent yesterday.

The deal will provide Pleasurama with a broad range of London casinos, allowing it to attract middle-size gamblers as well as the big spenders, and giving it a good geographical cover in the capital. It is also, however, likely to be Pleasurama's first and last significant move into the London market, since further increases in its presence would probably run into monopoly problems.

So the steady flow of cash which it hopes to see will be spent on developing the activities it entered through the purchase of Associated Leisure last year.

The new activities include amusement machines, coach tours, hotels, dance halls and a Marineland on the Costa Brava. They have not harmed Pleasurama's profitability, with the company forecasting pre-tax profits of at least £25m for the 15 months to the end of 1984 and proposing an annualised dividend increase of 41.54 per cent.

See Lex

Static growth and name change at Hambro

AFTER NINE MONTHS of deliberation, Mr Mark Weinberg and his team have come up with the title Allied Dunbar Assurance as the new name for his company, Hambro Life Assurance, which is in the process of being taken over by BAT Industries.

Mr Weinberg was committed to a change in name when Hambros, the original parent, sold its final stake in Hambro Life last April in the abortive merger with Charterhouse J. Rothschild. This name change was to avoid any public confusion.

At the annual meeting of top administration personnel, senior salesforce members and consultants, held in Wembley yesterday, Mr Weinberg said the name change represented an opportunity to build up a strong and distinctive identity of one of the UK's most important financial groups.

The company also released its new business figures for 1984 which, as measured by new initial commissions, showed an *overall growth of 1 per cent for* the life operations. This virtual static position was indicated when Hambro Life announced its interim dividend, and represents a dramtic fall from growth in recent years of 20 to 30 per cent.

Hambro Life's new annual premiums rose 13 per cent from £79.7m to £90.3m. A drop of 29 per cent to £ 29m on new life annual premiums to £29m arising from the ending of Life Assurance Premium Relief (LAPR) was offset by a 50 per cent rise in pension annual premiums from £41m to £61.3m. Single premiums sales declined slightly last year by 1 per cent to £159m.

The unit trust operations participated in last year's boom, and climbed 40 per cent from £102m to £143m. A further £14m of fund sales were achieved by the newly established Isle of Man offshore operation, Allied Hambro *International.*

Funds under management of the banking operation, Dunbar, rose 6 per cent to £112m, with assets rising by two-thirds to £91m.

Total group funds under management totalled £3.57bn at the end of 1984, against £2.86bn a year earlier.

The company is hoping to revive its annual premium life sales with the launch of a new short-term high investment plan —the Adaptable Investment Plan—the first new product since he ending of LAPR. This is a 10 year qualifying policy with a five year charging structure, which enables it to be used in the highly competitive short-term market.

● **Target Group**, the life assurance an dunit trust group linked to Merchant bankers Morgan Grenfell, has reported 1984 growth figures ahead of the industry in most sectors of its operations.

The ending of LAPR hit life *miums* declined by a quarter sales, and new annual life pre-from £9.1m to £6.8m. But this was more than offset by a buoyant pensions market. New annual premiums on executive pensions climbed 80 per cent to £7.5m (£4.2m) and self-employed *pension premiums more than* doubled to £6.2m (£2.5m).

This left total new annual premiums up 29 per cent from £15.8m to £20.5m.

Single premium business was even more buoyant, advancing over 80 per cent from £36.6m to £67.4m. Linked life bond sales werealso 80 per cent higher at £49.6m, against £27.4m, while pension single premiums almost doubled to £17.8m (£9.2m).

Midsummer below forecast

THE NEW owners of Midsummer Inns, USM-quoted real-ale pub chain, are taking legal advice on whether they should institute proceedings against the group's former directors.

Mr Adam Page and Mr Paul Reece, whose Swithland Leisure made a successful £2m bid for Midsummer last August, are considering what action to take in the light of financial developments since the acquisition.

Their announcement came with thet *publication* of Midsummer's results for the eight months to its new year-end in September, which showed that taxable profits had risen from £44,000 in the year to last January to £278.000

The taxable profits, however, include a £221.000 exceptional credit from three property disposals. Operatiing profits declined from £66.000 to £56.000. Midsummer had forecast that taxable profits for the year to the end of this month would reach £110.000 to £150,000, excluding property gains. Its inevitable failure to meet that forecast may also form part of any claim made by Mr Page and Mr Reece.

They are also concerned about liabilities which have arisen since the takeover, including the return of the Eagle Tavern, Leeds, to its freeholders at a book loss of £79,500 and a write-*down on the Alma pub in Cam*bridge, following a post-acquisition revaluation, amounting to £70.299.

However, they say that current trading and margins have responded well to the changes put in place since the takeover, and the company is performing ahead of budget. The group has arranged enlarged loan facilities with its bank to help it increase the number of outlets.

Midsummer also announced yesterday that it has agreed to pay £342,000 for a public house, restaurant and discotheque in Leeds. The turnover of the Leeds business came to £577,540 in the year to last August, of which about 45 per cent came from the public house and restaurant, with the balance from the discotheque.

The deal is being financed through the issue of 179,556 new *Midsummer shares, to be placed* with institutional investors at 195p each, which compares with yesterday's market price of 205p, unchanged. Earlier this month, the group bought a freehold property in Nottingham for £145,000 in cash. The directors intend to apply for planning permission to develop it into a public house and banqueting hall.

Cambridge Electronic makes second buy

BY GORDON CRAMB

Cambridge Electronic Industries (CEI), the company formed from some of the old Pye businesses floated off by Philips in 1981, has agreed its second acquisition within a month. The £3.5m deal, under which it will buy the privately-owned MTL Microtesting of Alton, Hampshire, will again involve a vendor placing of CEI shares.

Along with MTL, described as Europe's leading independent semiconductor test house, CEI will receive 75 per cent of MTL Microtech Semiconductors, an MTL subsidiary which supplies custom microchip devices for military and other uses.

CEI will allot th e vendors 955.304 new shares, representing some 2.55 per cent of its enlarged capital. Of these, 780,573 will be placed with clients of Morgan Grenfell and Cazenove, which act respectively as CEI's advisers and brokers. The placing will provide the vendors with some £2.8m in cash.

In December, CEI—in which Philips' UK unit still holds a stake of just under 10 per cent—agreed to acquire Analytical Accessories, a supplier of laboratory optical products, for £1.6m in new CEI shares. A majority of these were also placed.

A 25 per cent minority in Microtech is being retained by Mr Stuart Wilkie, its managing director. CEI will have the right to buy out Mr Wilkie during 1988, and he may also require the company to do so in that year. The price will relate to Microtech's profits in the three-year period to December 31, 1989.

The entire deal is conditional not only on Stock Exchange approval, but also on CGT rollover clearance. The shares issued will qualify for the CEI final dividend for 1984.

Mr Frank Moon, CEI's finance director, said yesterday the new businesses would fit in well with its existing operations with minimal overlap, extending the group's overall capability in the interconnection of circuitry.

Pre-tax profits for MTL were given as £237,000 in the year to March 31, 1984, on turnover of £3.2m. Microtech, which began *trading as recently as last June,* has produced no audited accounts.

Mr David Cawkell wil stay on as MTL's managing director, as will Mr Wilkie at Microtech. Completion of the purchase is expected by the end of this month.

Gregory will keep listing for Glanfield

Gregory Senurities, the private investment company bidding for Glanfield Lawrence, the quoted motor dealer, said yesterday that it intended to maintain Glanfield's Stock Exchange listing.

Gregory, which is headed by Mr Jim Gregory, chairman of Queens Park Rangers Football Club, said that in order to maintain the quote it had made arrangements for a group of investors to buy all the ordinary shares it obtained in Glanfield in excess of 75 per cent. The investors would pay the same 49½p price Gregory is offering for Glanfield's shares.

Suter share sale calms bid fears at Jas. Neill

Suter, the refrigeration and air-conditioning group headed by Mr David Abell, yesterday removed James Neill's fears of a take-over bid by selling its 11.7 per cent stake in the hand tool manufacturer.

The holding of 2.1m ordinary shares was sold by way of a placing with institutions and other investors arranged by Cazenove, James Neill's brokers.

Mr Hugh Neill, chairman of Neill, said last night that the group was "delighted" with the news of the disposal. "There is no question that Mr Abell would have liked to have made a bid but our recovery overtook him. The share price went to what we consider a much more *realistic* level and made it very expensive for him."

Suter is believed to have bought an initial 5 per cent stake in Neill when its share price was around 60p, and it increased the holding to just under 11 per cent last August. With the share price standing last night at 157p, down 3p on the day, Suter made about £1m on the disposal.

Neill—which has some 30 per cent of its shares held by Neill family interests—is in the midst of a rapid recovery in profits. After losses in 1981 and 1982, there was a £0.7m pre-tax profit last year and £1.4m in the first half of 1984.

Suter last month succeeded in a £15.5m bid for Francis Industries, a gerabox components and metal containers manufacturer, after a long and tortuous series of negotiations.

Hanson Trust

The Government has decided not to refer Hanson Trust's takeover bid for Powell Duffryn, the distribution and storage group, to the Monopolies Commission. Hanson's £170m bid reached its first closing date yesterday but there was no immediate indication of the level of acceptances.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Major developments in the bids and deals sector came at the start and end of the week. The **P & O/Sterling Guarantee Trust** merger terms were unveiled on Monday, along with confirmation of **Royal Bank of Scotland's** purchase of **Charterhouse Japhet**, Charterhouse J. Rothschild's merchant banking subsidiary. On Friday, **BTR** sprang a surprise offer for **Dunlop** and **Pleasurama** announced an agreed bid for fellow casino concern **Trident TV**; details of the BTR/Dunlop and Pleasurama/Trident bids appear elsewhere in this issue.

The **P & O/Sterling Guarantee Trust** merger terms involve P & O bidding two of its deferred shares plus 55p nominal of 6.3 per cent convertible redeemable preference stock for every 11 SGT ordinary shares. The deal gives the combined group a market capitalisation of about £985m. Hambros Bank and Prudential Corporation, which together hold about 14 per cent of SGT's equity, are accepting.

Royal Bank of Scotland's £155m purchase of **Charterhouse Japhet** will be partly financed by a £115m rights issue. The purchase price represents a 13 per cent premium over Charterhouse Japhet's asset value including its £27m stake in Woolworth Holdings. The deal will enable Royal Bank to compete fully in merchant banking and clearing bank terms in the UK.

Plans which could have led to a management buy-out of **R. P. Martin**, the foreign exchange and currency broker which is 45 per cent owned by Bierbaum and Co., a German money broking group, have fallen through. Several outside parties were rumoured to be interested in Martin and a list of possible bidders was headed by Security Pacific, the Californian bank.

A takeover bid for **Butterfield-Harvey**, the loss-making mechanical engineering group, was launched by **Technology Inc.**, the U.S. industrial and aerospace concern which helped rescue Butterfield in 1983. Technology already holds 11.1 per cent of Butterfield's equity and has options and conversion rights which, if exercised, would give it 55.1 per cent of the enlarged capital. Technology said it would exercise those rights to give it more than 50 per cent of Butterfield. It is offering 25p cash per share, valuing Butterfield at £3.61m. Butterfield is considering the offer and will be advising shareholders in due course.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Anglo-Scot Inv.	¶¶	159	156	¶¶	Japan Assets
Atlanta Inv	135§§	130	91	5.41	Grovebell
Bath & Portland	247§ §§	296	225	39.29	Beazer (C. H.)
Bath & Portland	301§§	296	277	61.39	Cons Gold Felds
Butterfield-Hrvy	25*§	26	22½	3.21	Technology Inc
Causton (Sir J.)	110½†	113	105	18.69	Norton Opax
Churchbury Ests	764§§	750	745††	55.07	Greycoat Offices
Comfort Hotels	99½	95	71	62.12	Ladbroke
Cullen's Strs Ord	475*	470	365††	4.75	Whatling (IOS)
Cullen's Strs 'A'	375*	370	260††	3.75	Whatling (IOS)
Dunlop	23¼	36	31	33.44	BTR
Elson & Robbins	90½§§	84	68	8.96	Hartons Group
Glanfield Lawrce	49½*§	52††	49	3.60	Gregory Secs
Hambro Life	550*	538	498††	663.0	BAT Inds
Harrison, T. C.	74*	69	49	16.7	Harrison, T.C. Grp
Hoskins & Horton	322§	320	188	8.60	Lon & Mid Inds
Hoskins & Horton	321§ §§	320	270	6.21	Scottish Heritable
Kent (M. P.)¶	82§§	77	67	35.18	Beazer (C. H.)
Leech (Wm.)	173‖‖ §	173	134††	25.95	Beazer (C. H.)
Lon & Mchstr Secs	9	9	10½	2.91	Amal Estates
Moray Firth Malt	388§	385	340	16.93	Scot & Newcastle
Powell Duffryn	458	448	340	173.49	Hanson Trust
String Guarantee	80	78	325††	286.00	P & O
Trident TV Ord	249§	242	209	3.64	Pleasurama
Trident TV A	237½§	241	209	110.47	Pleasurama
Voyager Petrolm	55*	55	51	5.50	BP
Websters Group¶	142§§	133	140	17.90	Octopus Publshg
Whittington	26½§ §§	23½	22	11.40	Aitken Hume

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ** Based on January 18 1985. †† At suspension. §§ Shares and cash. ¶¶ Related to NAV to be determined. ‖‖ Loan stock.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Assoc News Hldgs	Sept	21.750	(16.460)	51.4	(44.3)	14.0	(12.0)
S & W Berisford	Sept	80.230	(55.640)	32.79	(22.13)	10.5	(9.5)
Blue Arrow	Oct	411	(191)	—	(—)	0.6	(—)
Body Shop	Sept	1.040	(203)	12.0	(3.5)	1.5	(—)
Circaprint Hldgs	Aug	650	(423)	12.3	(7.3)	0.7	(—)
Countryside Props	Sept	1,650	(1,020)	34.7	(28.6)	5.04	(4.62)
Dewhurst & Part	Sept	215	(186)	1.81	(2.61)	0.75	(0.68)
Electronic Mach	Sept	50	(2)	2.17	(0.99)	0.7	(—)
Eurotherm Intl	Oct	7.150	(4.210)	15.2	(9.5)	4.0	(3.25)
FII Group	Oct†	3.04	(2.42)	9.07	(9.96)	3.9	(3.54)
First Leisure	Oct	6,750	(4,500)	22.7	(23.6)	6.5	(—)
Glass Glover	Sept	1,840	(1.530)	12.51	(9.43)	3.45	(2.81)
A. Guinness	Sept	70,400	(58,800)	20.9	(17.1)	6.44	(5.76)
Heavitree Brew	Oct	705	(614)	59.1	(43.9)	30.0	(25.0)
Kenning Motor	Sept	7,540	(11,750)	10.8	(19.9)	6.5	(6.5)
Kennings Est	Sept	2.070	(2,290)	—	(—)	—	(—)
London & Clydsd	Sept	2,990	(—)	18.0	(9.0)	1.3	(—)
Lond Scot Finan	Oct	1,690	(1,516)	6.7	(5.8)	2.8	(2.5)
McMullen & Sons	Sept	2,600	(3.470)	—	(—)	—	(—)
Oakwood	Sept	184	(175)L	7.0	(1.3)	4.5	(6.5)
SGB Group	Sept	11.010	(7,240)	18.4	(9.7)	6.3	(5.6)
South Busi Leas	Sept	1,520	(1,172)	9.1	(—)	2.25	(1.25)
Tace	Sept	2.600	(1,220)	16.25	(14.34)	4.5	(3.0)
Trusthouse Forte	Oct	105.200	(82.100)	9.43	(7.95)	4.7	(4.13)
Warner Holidays	Sept	1,260L	(2,660)L	—	(—)	—	(—)
Wheway Watson	Sept	915L	(638)L	—	(—)	—	(0.05)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Aerospace Engin	Oct	356	(151)	1.2	(1.63)
AGB Research	Oct	3.490	(3,008)	2.5	(2.4)
Sidney C. Banks	Oct	1.150	(935)	3.25	(2.75)
Peter Black	Oct	2.390	(1.780)	0.53	(0.47)
Bristol Stadium	June	72	(161)	—	(—)
Centrovincial Est	Sept	1,370	(1.500)	3.0	(3.0)
Control Secs	Sept	711	(607)	1.58	(1.58)
Coun & New Twn	July	1.540	(1.230)	0.5	(0.4)
Cray Electronics	Oct	804	(570)	0.74	(0.57)
David S. Smith	Oct	226	(152)L	1.0	(1.0)
Davy Corp	Sept	4,330	(3.030)	1.1	(1.1)
Dixons Group	Nov	12.520	(7.620)	1.92	(1.6)
Dowty Group	Sept	20.080	(11.940)	2.2	(1.7)
Isis Group	Sept	938	(1.000)	—	(—)
MFI Furniture	Nov	19.020	(15.630)	2.0	(1.7)
Multitone Elecs	Sept	422	(827)	1.1	(1.05)
Norbain Elec	Oct	535	(275)	—	(—)
Northamber	Oct	454	(309)	—	(—)
Oldacre Hldgs	Sept	802	(949)	1.5	(—)
Ratners	Oct	560L	(373)L	0.67	(0.67)
Stead & Simpson	Sept	2,480	(1.666)	2.0	(1.5)
Symonds Eng	Sept	40	(156)	0.3	(0.27)
Henry Wigfall	Oct	487L	(590)L	—	(—)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net pence per share, except where otherwise indicated. † The Irish pound. L Loss.

Rights Issues

First Castle Electronics is raising £5.1m through a one-for-three rights issue at 88p per share.

Mountleigh Group is raising £7m through a rights issue of convertible stock.

Premier Consolidated Oilfields is raising £16.3m with a three-for-ten rights issue at 38p per share.

Offers for sale, placings and introductions

Whitworth's Food Group is to join the USM with a market capitalisation of £10.1m. Stockbrokers Scrimegour Kemp-Gee are placing 2,250,000 shares in Whitworths at 95p each to raise £1.7m.

Consortium to acquire 29.7% of Milford Docks

A 29.7 PER CENT stake in the Milford Docks Company, the 110-year-old operator of the port at Milford Haven, is due to be acquired by a consortium which has at its head George Mountbatten, the Marquess of Milford Haven.

The consortium yesterday signed an option on 926.000 shares in the company, which has had a recent history of boardroom tussles amid a series of initiatives to stem a tide of losses.

The holding, scheduled to change hands by March 31 for £450.00, is being sold by NG Investments, a company associated with a South African retail entrepreneur, Mr Dusty Miller. Mr Irving Aranson, a Scottish accountant appointed to the board in September 1983 to represent NG's interests, is to resign when the deal is completed.

Lord Parry of Neyland, Milford Docks' chairman, welcomed the move. He said it would strengthen the board's ability to put into effect development plans which the company would be ready to unveil within the *next four weeks.*

Mr Michael Davies, its chief executive — a property developer who had joined NG in taking the stake originally—will stay on. He has been invited to join the consortium, which also includes Mr Roderick Shand and Shenval Holdings, his family company.

The Marquess, who has been a director since last September, said: "I obviously have a natural affinity with Milford Docks, which is Wales' oldest public company. In my six months on the board I have become aware of the company's considerable potential, which has been seriously underrated.

"We intend to strengthen the board to give the active leadership that will enable us to develop and diversify in a more dynamic and profitable way."

Milford Docks, incorporated by Act of Parliament, managed t ocurb its losses for the first half of last year to £141,000 pre-tax, against £304,000. No dividend had ben paid to the 1,200 or more shareholders since 1982.

Bridport Gundry

Mr R. W. Holder, chairman of Bridport-Gundry, stated at the annual *meeting that the current* year was proceeding very much in line with expectations, with both turnover and profit moving ahead satisfactorily.

Although Bridport had to move quickly to acquire Lolift because other companies were keen to buy it, the benefits which it saw from the acquisition were indeed there, he said.

Collier denial

Collier, the menswear chain, said yesterday that it had received no takeover approach and would vigorously defend itself if one emerged. The statement followed market rumours that the Burton group might be interested in Collier. Burton said anysuch talk was "purely speculative."

RESULTS DUE NEXT WEEK

Mercantile House is expected to announce a small profits decline when it publishes its results for the first six months to October on Tuesday. Oppenheimer, the Wall Street stockbroking subsidiary, has seen its earnings squeezed badly as trading volumes declined in a listless market. That should be partly offset by a good performance from Mercantile's wholesale broking arm, benefiting from the growth of the U.S. fixed interest business and a lively currency market, spurred on by the dollar's rise. There should also be first-time contributions from Alexanders Discount and Jessel Toynbee & Gillett, though they will not be enough to halt an overall decline from taxable profits of £30.5m to a figure likely to be well under £30m. In line with Mercantile's policy of reducing the disparity between the interim and final dividends, the first-half payout is expected to be rounded up from 3.75p to 4p net.

An indifferent set of interim figures is expected from electronics group Racal next Wednesday, not much changed from last year's pre-tax profits of £48.7m. The big fall in demand for tactical radio which started last year is probably at its worst point now. Racal is also expecting losses of about £12m related to its new cellular radio service. The market is prepared for the results and should not be perturbed as the underlying trading performance of Racal appears to be strong with good prospects for 1985-86. Chubb will not be in for the first half, but could contribute about £9m for the year.

Other companies reporting next week include Allied Textile and Fitch Lovell with finals and interims respectively on Thursday; Stone International announces interims on Tuesday and Wholesale Fittings reports interims on Friday.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Allied Textile Companies	Thursday	—	4.42	2.92
Anglia Television	Tuesday	2.5	4.5	3.0
Associated Energy Services	Friday	—	—	—
Bootham Engineers	Wednesday	—	3.0	—
Brooke Tool Engineering	Monday	—	—	—
Camford Engineering	Thursday	—	0.35	—
Commercial Bank of Wales	Friday	—	—	—
Crescent Japan Investment Trust	Tuesday	0.3	0.3	0.3
Denmans Electrical	Thursday	—	1.25	—
Derby Trust	Friday†	11.534	11.076	13.024
Edinburgh American Assets Trust	Friday	—	0.85	—
Energy Resources and Services	Tuesday	—	—	—
Evode Group	Monday	0.7118	1.728	0.8183
First National Finance Corpn.	Wednesday	—	—	—
First National Securities	Wednesday	—	—	—
Habitat Precision Engineering	Tuesday	—	0.5	0.5
Lincroft Kilgour Group	Tuesday	1.0	2.0	1.5
Lookers	Tuesday	1.272	2.6	1.5
Norfolk Capital Group	Tuesday	—	0.2	0.075
Rush Estates Holdings	Friday	2.857	7.143	5.714
INTERIM DIVIDENDS				
John Beales	Monday	1.15	2.5	
Bevan, D. F.	Wednesday	0.25	0.75	
Caledonian Associated Cinemas	Wednesday	2.0	8.0	
Cantors	Friday	0.5	1.5	
Copson, F.	Tuesday	—	1.5	
Estates Property Investment Co.	Wednesday	2.75	5.5	
Fitch Lovell	Thursday	2.5	6.7	
A. and J. Gallert	Wednesday	1.9	3.0	
Hallite	Thursday	3.0	4.75	
Hampson Industries	Tuesday	0.272	0.545	
Imry Property Holdings	Friday	1.6	3.2	
Kenyon Securities	Thursday	3.125	6.25	
Kunick Holdings	Tuesday	—	—	
McKay Securities	Thursday	1.27	1.53	
Mercantile House Holdings	Tuesday	3.75	8.25	
Neepsend	Friday	—	0.1	
Louis Newmark	Thursday	4.5	7.5	
Owen and Robinson	Tuesday	3.0	7.0	
Park Food Group	Wednesday	1.0	2.0	
Parkdale Holdings	Tuesday	—	0.9	
Portsmouth and Sunderland Newspprs.	Thursday	1.429	4.286	
Property Security Investment Trust	Thursday	0.75	1.5	
Racal Electronics	Wednesday	0.73	2.16	
Real Time Control	Monday	—	2.0	
Restmor Group	Monday	0.75	3.0	
J. Saville Gordon	Wednesday	1.1	2.62	
Scottish English and European Textiles	Tuesday	1.1	2.7	
Somportex Holdings	Wednesday	—	1.0	
Stewart Plastics	Wednesday	0.7913	1.8357	
Stone International	Tuesday	—	—	
Stroud Riley Drummond	Thursday	0.75	1.5	
Transcontinental Services Group	Tuesday	—	—	
Union Carbide	Wednesday‡	—	—	
United Packaging	Tuesday	1.4	1.75	
Wholesale Fittings	Friday	1.53	4.47	

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue. † This is a quarterly report. ‡ Per £1 share.

COMPANY NEWS IN BRIEF

Higher profits at the halfway stage and a two-for-one scrip issue are announced by Bromsgrove Casting & Machining, a Droitwich, Worcestershire, company which makes and machines castings in aluminium.

For the six months ended September 30 1984, the company made an £84,000 pre-tax profit compared with £78,100 in the previous six months. Turnover was £2.2m (£2.35m).

The interim dividend is 0.9p (0.75p) net. Last year total dividend was 2.75p when profits reached £255,000.

Earnings per ordinary share were 3.31p (2.69p) after tax.

* * *

Pre-tax losses of Greenwich Cable Communications were higher at 381,600 for the year ended August 31 1984, compared with £350,703. Losses per 25p share are shown as *10p against* 15p.

The directors state that the results of this USM cable television company do not reflect the new satellite entertainment programmes introduced after the year end. The directors look forward to the opportunities these services represent.

Turnover slipped from £254,796 to £242,021. Again there is no dividend.

* * *

Net asset value per share of the Independent Investment Company fell from 309.88p to 293.52p as at December 31 1984. After tax of £118,000 against £153,000 revenue for the six months emerged at £171,000 (£164,000) or 0.54p per share compared with 0.52p.

* * *

The 1984 turnover of pharmaceutical wholesaler UniChem was up by £35m to £368m. This excludes the company's travel agency subsidiary.

Commenting on the preliminary figures, managing director Mr Peter Dodd said: "I believe the growth is satisfactory, *bearing in mind the price* freeze on pharmaceuticals and the continued activities of parallel importers."

* * *

Net asset value stood at 124.6p for Atlantic Assets Trust on December 31, 1984, compared with 111.56p six months earlier. At end-December 1983 net assets per share were 118.48p, giving a 5.2 per cent increase over the year.

The directors say that earnings, which emerged at 0.38p (0.14p) for the first six months, should not be taken as a guide to the full year's results.

For the six months to the end of 1984 income from dividends and interest totalled £1.15m, against £911,000. From this, interest and expenses took a lower £310,000 (£564,000)

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Abbey Panels	0.75	—	Nil	1.5	Nil
Gestetner	0.82¶	April 3	0.82	1.32	1.32
Greenfriar Inv	1.6	March 29	1.35*	1.6	1.35*
Group Investors‖ ... int	1.3	April 4	1.2	—	3.7
Wm Sommerville ... int	0.55	Feb 25	0.55	—	4.5

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ On both the ordinary and "A" ordinary shares. ‖ Corrected.

BANK RETURN

BANKING DEPARTMENT

	Wednesday January 16 1985	Increase (+) or Decrease (—) for week
	£	£
Liabilities		
Capital	14,553,000	—
Public Deposits	3,571,680,516	+ 1,742,496,463
Bankers Deposits	772,027,622	+ 39,924,655
Reserve and other Accounts	1,724,474,883	— 32,917,684
	6,082,736,020	+ 1,749,503,434
Assets		
Government Securities	588,509,671	+ 17,193,410
Advance & other Accounts	1,027,639,065	— 56,349,301
Premises Equipment & other Secs.	4,464,564,424	+ 1,791,129,476
Notes	3,831,222	— 2,507,189
Coin	191,638	+ 37,058
	6,082,736,020	+ 1,749,503,454

ISSUE DEPARTMENT

	£	£
Liabilities		
Notes issued	12,010,000,000	— 220,000,000
In circulation	12,006,168,778	— 217,492,811
In Banking Department	3,831,222	— 2,507,189
Assets		
Government Dept	11,015,100	—
Other Government Securities	2,747,557,276	+ 572,047,754
Other Securities	9,251,427,624	— 792,047,754
	12,010,000,000	— 220,000,000

Bass brothers join buyers of Union Carbide stake

BY PAUL TAYLOR IN NEW YORK

AN INVESTMENT group including the Bass Brothers, the wealthy Texas-based investors, revealed yesterday that it has spent about $140m acquiring a 5.4 per cent stake in Union Carbide, the U.S. chemicals group the stock of which has been severely depressed in the aftermath of the tragic Bhopal, India disaster, "for investment purposes."

In a U.S. Securities and Exchange Commission (SEC) filing the group said it holds the equivalent of 3,854,100 Union Carbide shares—including certain shares which members of the investment group may acquire through the purchase of options and the conversion of debentures.

The SEC filing said the group has been acquiring the shares since December 11—eight days after a toxic gas cloud leak from the company's 50.9 per cent owned plant in Bhopal killed more than 2,000 and injured thousands more in the worst ever industrial disaster.

The group said it acquired *the shares at prices ranging* from $34.06 a share to $38.55 a share, at an average price of just over $36.3 a share the investment would total about $140m.

Union Carbide has been viewed as a possible target for Wall Street's band of stock raiders following the collapse of its share price in the wake of the Indian disaster. Ahead of the tragedy Union Carbide's stock was selling at about $49 a share. Yesterday the company's share price gained $¾ to $38½ after the Bass brother's investment was revealed.

The announcement comes just after a second major U.S. rating agency, Moody's, cut Union Carbide's debt rating, citing the company's unsatisfactory financial performance is likely to continue "until structural weaknesses in petrochemical and steel-rated core businesses are corrected."

Moody's, whose move follows that of Standard & Poor's earlier this month, added that costs related to the Bhopal accident "*will be manageable* although a remote possibility of material liability does exist for the company.

S & P's move to cut the group's credit rating caused a storm of protest from Union Carbide which described the downgrading as "excessive."

Property lifts Walt Disney

BY OUR NEW YORK STAFF

WALT DISNEY Productions, the U.S. entertainment group which was the object last year of a series of running battles for control, yesterday reported a surge in fiscal first quarter revenues and net earnings, spurred by the results of Arvida, its new property subsidiary.

The Burbank, California-based company said net income *for the fiscal first quarter* (ended December 31) increased to $32.19m, or 95 cents a share, compared with earnings of $8.99m (26 cents a share) in the year-ago quarter, before a $66.11m gain from an accounting change related to income tax credits made final net earnings of $85.1m ($2.46 a share).

Revenues for the period increased by 41 per cent to $426.53m from $301.2m a year earlier.

Mr Michael Eisner, chairman and chief executive, and Mr Frank Wells, president and chief operating officer, said in a joint statement that the sharp increase in both revenues and net income was largely due to the strong showing of the new *Arvida subsidiary.*

Arvida was acquired from the Bass brothers as part of an ultimately successful anti-takeover defence strategy last year, and was not included in the company's operations until *the second quarter.* The improved operating results of the Disney Channel, Disney Home Video and Walt Disney World, also contributed.

Walt Disney said revenues of its entertainment and recrea*tion segment increased by 3 per* cent to $232.6m, while operating income grew to $26.48m from $21.38m a year ago.

Among other sectors, revenues for the filmed entertainment division, which in*cludes the Disney Channel,* television and home video, increased to $78.23m from $46.58m and operating income was $15.37m compared with a $6.12m year-ago loss. Revenues and operating income from *Arvida in the quarter totalled* $84.13m and $28.3m respectively.

Setback for Kronebanken purchase hopes

By Hilary Barnes in Copenhagen

THE ENORMOUS losses suffered by Kronebanken put a stop to the first attempt to reconstruct the bank when Provinsbanken, yesterday, declared that it was pulling out of negotiations to acquire the bank.

Kronebanken has been propped up since last month by guarantees from the Danish central bank and leading commercial banks.

Kronebanke's losses, realised and unrealised, total DKr 1.3bn ($141m), and this proved too big a bite for Provinsbanken, which said it would be extremely difficult to put Kronebanken back on its feet and make it profitable again.

Jyske Bank, another Jutland-based bank, is now examining the possibility of acquiring Kronebanken. But although Jyske, Denmark's sixth ranking commercial bank, has a stronger capital base than Provins*banken, it too will undoubtedly* hesitate before taking on Kronebanken.

Kronebanken's losses exceed its entire equity capital. Bank*ing opinion here yesterday was* that the losses are so great that the bank will have to be split up and hived off to several banks in bits.

Jacobs and colleagues buy into Castle & Cooke

BY ANDREW BAXTER IN NEW YORK

A GROUP led by Mr Irwin Jacobs, the Minneapolis investor, disclosed yesterday that it may seek control of Castle and Cooke, the struggling Hawaii-based food and property company.

Mr Jacobs, who has played a prominent role in several re*cent takeover battles, said* earlier this week that he and fellow investors held a 12 per cent stake in the company. Castle and Cooke's shares were down $¾ to $15¼ early yesterday, valuing the company at $390m.

In a filing with the U.S. Securities and Exchange Commission yesterday, the group said it was considering several options regarding its stake, including making a merger proposal, buying additional shares or seeking to interest third parties in a joint effort to acquire control.

The group said it may also try to consult with the company's management to influence its future business policies.

Last month Castle and Cooke said it expected to report a $35m net operating loss in the 1984 fourth quarter, due mainly to greatly reduced selling prices for bananas and lettuce. At the same time the company rescinded $2.3m in previously declared preferred dividends, and announced the resignation of Mr Ian Wilson as president and chief executive officer.

Bad loans hit Fannie Mae

BY WILLIAM HALL IN NEW YORK

THE FEDERAL National Mortgage Association (Fannie Mae), the U.S. government-sponsored agency which refinances house mortgages, has reported a $57.4m net loss for 1984 compared with a $75.5m profit in 1983.

Fannie Mae lost $31.2m or 47 cents a share, in the fourth quarter of 1984 which followed a $43.1m loss in the third quarter. In the final quarter of 1983 the company earned $13.6m

Mr David Maxwell, Fannie Mae's chief executive, blamed the 1984 loss on negative interest margins, caused by high interest rates for much of the year, and higher loan loss provisions. The group charged off $87.3m on conventional loans in 1984, more than double the previous year's

Move over Swiss watch maker

By John Wicks in Zurich

NEGOTIATIONS are under way here between leading Swiss banks and a group of investors interested in buying a stake in Asuag-SSIH, the country's leading watch manufacturer which was the object of a SwFr 650m ($242m) rescue operation in 1983.

The investor group is led by Mr Nicolas Hayek, a Zurich consultant whose firm drew up the report leading to the merger of Asuag with SSIH at the banks' behest in late 1983. It is not yet clear what proportion of the company's capital, virtually all of which is now held by the banking consortium Mr Hayek and his associates are seeking to buy.

At the same time Mr Pierre Arnold, former chief executive of Migros, the biggest Swiss retail chain, said on television that he was prepared to take over "a management function" in Asuag-SSIH.

The company has undergone internal reorganisation since the bank bail-out, and it announced earlier this week that it has formed a separate marketing subsidiary to handle the Swatch — the successful, low-priced quartz watch with which the Swiss group has been seeking to recoup market share from inexpensive Far Eastern competition.

FFr 1.57bn CGE issue

By David Marsh in Paris

COMPAGNIE Generale d'Electricite, the French nationalised electronics and energy conglomerate, has announced a fresh issue of FFr 1.57bn ($161m) of *titres participatifs* or non-voting loan stock on the Paris bourse.

The issue, which follows a similar fund-raising launch in 1983, is the latest transaction under which state owned French companies and banks have been turning to the capital markets to raise funds for investment without seeking recourse from the government.

As before, the yield on the CGE TP will be linked partly to prevailing domestic capital market interest rates and partly to the company's financial results.

CGE expects that last year's *group net profits will be at* least equal to he 1983 result of FFr 662m.

Kuala Lumpur

Kuala Lumpur Kepong (KLK), the fourth largest Malaysian plantation group, has agreed to adjust the terms of its sale to Kumpulan Guthrie of a 26.23 per cent stake in Highlands and Lowlands. The holding will now be taken on through Kumpulan Jelei Sendirian, a Kumpulan Guthrie subsidiary which will then have all its fixed assets passed to KLK in return.

There will also be a cash payment to KLK of 17.15m ringgit, plus the accrued profits of Kumpulan Jelei from July 1 last year until completion of the sale. The agreement is subject to approval by Malaysia's Foreign Investment Committee as well as by KLK's own shareholders.

Under the original deal announced last November, Kumpulan Guthrie was to take the stake directly, in exchange for the entire capital of

DM 170m offer for Krauss Maffei

BY PETER BRUCE IN BONN

Bavarian State Economics Minister, revealed yesterday that the Friedrich Flick industrial group has been offered DM 170m ($53.5m) by a Bavarian government-led consortium for 96 per cent of Krauss—its arms and engineering subsidiary.

He said negotiations with the Flick group had been completed and that the consortium was waiting for Flick to react.

Krauss Maffei, which employs 4,600 people, reported turnover of nearly DM 2bn in 1983, chiefly on fixed price sales of the *Leopard 2 main battle tank.* These orders confined to Nato, are due to expire in the next year or two, however, leaving the company heavily dependent on sales of its plastics machinery, locomotives and process technologies.

The West German cartel office in Berlin has yet to approve the deal, even if Flick agrees to the terms, and officials said yesterday they were still studying the offer. The cartel office says it wants to be sure that the sale to the consortium will not mean Krauss Maffei falls completely under the control of Messerschmidt-Bolkow-Blohm (MBB), the Bavarian-based aerospace and weapons group.

MBB tried, unsuccessfully, last year to buy Krauss Maffei and was turned down by the cartel office, but in the new con*sortium it has a direct interest* of only 12.9 per cent. Never the less, sceptics believe MBB's influence could far outstrip that, and that its role is being disguised with the help of a group of sleeping partners put together by the Bavarian leader, Herr Franz Josef Strauss.

Japanese security houses boosted by rising markets

BY TERRY POVEY

THE CONSOLIDATED results of Japan's "big four" security houses shows them all benefit*ing strongly from the rising and* active stock and bond markets: they also indicate an intensification of the battle for second place among Daiwa, Nikko and Yamaichi—with Nomura still a long way out in front.

Whilst the pattern of these results, which are for the year to September 30, are generally in line with those of the parent companies there is a variation in the contribution that the brokers overseas subsidiaries have made to the group's net profits.

Nikko with Y5.43bn ($21.4m) being added to the parent's net by contributions from subsidiaries has performed more strongly overseas than Daiwa, *just ahead of it overall, which* gained only Y4.42bn. Yamaichi, which appears to be experiencing a revival on the domestic market, gained only Y2bn from subsidiaries indicating that it is a long way behind in this respect. Nomura's group net was Y9.5bn greater than its parent-only result.

In terms of growth rates, those shown by Daiwa, Nikko and Yamaichi were all of the same order for both sales and net profits whilst those for Nomura, almost twice as big as its nearest rival, were substantially lower.

	Sales Ybn	Percentage rise	Net profits Ybn	Percentage rise
Nomura	435	18.9	73.9	32.9
Daiwa	270	29.2	38.8	55.6
Nikko	244	29.8	38.3	53.4
Yamaichi	231	31.4	29.9	60.8

Pharmacia and U.S. group in deal over bio-technology

BY DAVID BROWN IN STOCKHOLM

PHARMACIA, the Swedish pharmaceuticals and biotechnology group, has concluded a deal worth up to $3m to acquire a stake in Bio-Technology General (BTG), a U.S.-based genetic engineering company quoted over the counter.

In an initial step Pharmacia has bought 214,000 BTG shares, representing 4.5 per cent of total equity, for $1.5m and has an option to buy a further 200,000 shares for the same amount within six months.

Moreover, Pharmacia is taking two seats on the BTG board.

The deal will give Pharmacia a secure supply of hyaluronic acid for its product development programme, said Mr Erik Dinielsson, chief executive. The acid is used in Pharmacia's Healon and other ophthalmological products.

Under the terms of the agreement, Pharmacia will have exclusive rights to BTG's acid production, which uses a bacterial fermentation process. Pharmacia currently produces the acid from rooster combs. The group will also fund further BTG research in the field.

In addition to hyaluronic acid, BTG is involved in the bovine growth hormone, trichoderma, human growth hormone and superoxide dismutase product areas.

● Saab-Scania, the Swedish automobile and aerospace group, increased its car production to 102,000 units last year, the first time that output has *exceeded 100,000 units.*

The production rate has been increased four times over the last 12 months and reached an annual rate of 113,000 cars by the end of 1984.

Next month production is to be increased further to a rate of 119,500 cars a year and the group has started a SKr 360m investment programme aimed at raising production further to 150,000 cars a year by 1988.

Saab's car output has increased rapidly over the last *three years from a low point in* 1979, when it produced only 65,800 units.

WORLD STOCK MARKETS

WALL STREET

Mixed with Airlines on offer

AN IRREGULAR trend prevailed on Wall Street yesterday, when trading was moderately heavy as investors continued to pound some Airline issues.

By 1 pm the Dow Jones Industrial Average was off 1.99 at 1226.70, reducing its rise on the week to 8.61, while the NYSE *All Common Index*, at $98.83, gained 8 cents on the day and $1.85 on the week. Overall, rises led falls by about a seven-to-five majority. Trading volume, however, was down 11.35m shares to 76.24m, compared with 1 pm Thursday.

Michael Metz of Oppenheimer and Co. said investors are "still licking their wounds over exposure to the airlines" and have turned cautious on all stocks.

He also said there was disappointment that IBM's stock did not react better to the sharply higher fourth quarter profits announced Thursday. IBM were up $⅞ to $124 in heavy trading.

Castle and Cooke led the active list, and was off $½ to $15½—a group led by investor Irwin Jacobs formally disclosed its ownership in the stock and said it may seek control of the company. A block of one million shares traded on the Mid West Stock Exchange.

AMR, which Thursday cut fares, beginning a sharp downturn in Airline stocks, was down another $⅞ to $34⅝ and was the *second most active stock.*

Delta Air gave way $1½ to $41½ in active trading.

Federal Express, which Thursday detailed losses from its Zap Mail Service, fell $2 to $34½ in active trading.

Storage Technology rose $¾ to $2¾ on a published report that Ryal Poppa of BMC Industries would be named its new head. BMC gave way $1½ to $12⅞.

Alcoa were down $1½ to $37—it reported a fourth quarter loss of 19 cents a share, compared with a profit of $1.19 last year.

THE AMERICAN S.E. Market Value Index was up 0.38 to 210.43, for a rise of 4.69 on the week. Trading volume 6.55m *shares, against 6.48m at 1 pm* Thursday.

Closing prices for North America were not available for this edition.

CANADA

Stock prices were slightly higher at mid-session, with the Toronto Composite Index up 4.9 at 2,417.0.

The Gold Shares Index rose 12.6 to 2,972.8 and Oil and Gas 4.4 to 2,913.1, but Metals and Minerals shed 9.2 to 1,989.5.

Alcan were down C$1⅛ to C$37—on Thursday it won court *approval to acquire Atlantic* Richfield's aluminium assets.

TOKYO

Higher in active trading, a reaction to U.S. Treasury Secretary Regan's continuing commitment to intervention statement at the Group of Five Finance Ministers, dealers said.

The Nikkei Dow Jones Market Average finished 22.87 up at 11,910.06, after touching a record high 11,936.05 in early trading. For the week, the Nikkei Dow Index finished up 97.82 from its January 11 close of 11,812.24.

Turnover 450m (400m) shares.

A yen recovery against the dollar helped the market and foreign buying was increasing in the afternoon.

The broader-based Tokyo SE Index closed at 932.65, down 1.50. Trading 21m (same) shares.

Dealers forecast a further price rise next week as concerted efforts to stabilise foreign exchange markets may help foreign investors increase buying of Japanese stocks.

They said investors decided Thursday's fall, triggered by tighter controls on margin trading, was smaller than anticipated, indicating underlying market strength.

Many of the recent speculative favourites were ignored in the wake of the tightened margin-trading rules. Even so, investors managed to find a few laggard Biotechnology and Electronics issues to buy. Overall, drugs were mixed while Blue-Chip Electricals slipped.

Small Electric Machineries and other Machineries rose, but Light Electricals, Autos and Precision Instruments declined. Textiles and Banks also were weaker, but other Financials showed scattered strength.

"Small" and "Medium-sized" issues firmed, but Blue Chips and "Populars" closed generally lower in sympathy with lower American Depository Receipts on Wall Street Thursday.

Matsushita Electric lost Y30 to Y1,560 after it said its parent company current profit growth rate will slow in the year ending November 20.

HONG KONG

Share prices fell in volatile trading as local investors resumed profit-taking.

The Hang Seng Index dropped 28.09 to 1,360.33. Combined turnover HK$468.08m (HK$681.18m).

Issues most widely sold were those with high price-to-earnings ratios, an indication that the selling is technical and that investors may be squaring positions.

The market's sub-indices all fell similar amounts. The Finance Index dropped 27.45 to 1,310.93, Utilities 20.36 to 1,548.97, Properties 33.02 to 1,534.86 and Commerce and Industry 30.28 to 1,176.54.

Even China Light, which signed a contract to build a HK$3bn nuclear power station in China, dropped 60 cents to HK$14.50.

SINGAPORE

Share prices rose marginally on some buying support and small covering interest in quiet trading.

The Straits Times Industrial Index rose 4.05 to 771.01 and the SE Industrial/Commercial Index 5.53 to 560.61. Turnover 8.2m (8.6m).

Promet topped the actives with a turnover of 282,000 units traded and closed one cent lower at S$1.63.

Hotels, Properties and Commodities were slightly higher.

AUSTRALIA

Firmer in active trading with Resource issues stronger in response to firmer International Commodity prices.

Traders said markets ignored the mixed signals from Wall Street and continued to focus on higher Metal prices. Australian Mining stocks have been in a slump for about a year, and brokers said many are now being sought by bargain hunters.

The All Ordinaries Index moved up 6.7 to 746.4, the All Industrials 6.8 to 1,120.5, the All Resources 6.3 to 489.8 and Metals and Minerals 10.5 to 427.3.

The only weakness was among Oil and Gas issues following further oil-price cuts.

Among Metals and Golds, Placer Development advanced A$1 to A$21, Niugini Mines 60 cents to A$10, Metana Mines 20 cents to A$2.05, Aberfoyle and Comalco 10 cents each to A$8 and A$2.18 respectively.

GERMANY

Higher mainly on strong foreign investor demand, although many stocks closed below the best in late trading.

The Commerzbank Index of 60 leading shares, set at midday, rose 16.10 to a new record of 1,187.90—the third consecutive record.

Market sources said profit-taking and position squaring ahead of the weekend by professional dealers pulled stock prices down in late trading from their intra day highs.

As in the two previous sessions, Foreign buying helped buoy share prices and dealers reported brisk trading of the "classic Foreign stocks," well-known issues such as Daimler-Benz and Siemens. Daimler-Benz finished DM 3.40 up, while Siemens rose DM 4.50.

Steels, Chemicals, Bankings and Electricals registered strong gains.

PARIS

Shares continued mixed, with gains narrowly outstripping declines, but Bourse indices *showed slight falls.*

Movements each way were narrow, but Wall Street's retreat overnight unsettled the market. The 50-share session indicator clawed back about half its initial decline but was still 0.05 per cent down.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar recovers

The dollar recovered from the day's lows in currency markets yesterday to finish at its best level of the day. It was also slightly higher in places compared with Thursday's close in

However in relatively thin trading ahead of a partial long weekend in the U.S., the dollar soon attracted buyers at the lower levels. While the fear of central intervention remains, dealers were undecided as to how much central banks would be committed to fighting against a sustained dollar surge. Having touched a low of DM 3.1580, the dollar recovered against the D-mark to close at DM 3.1810, unchanged from Thursday. Early New York trading saw it rise further to DM 3.1860. Elsewhere in London it finished at Y254.50 compared with Y254.55 and SwFr 2.6820 against SwFr 2.6765. Against the French franc it finished at FFr 9.7475 from FFr 9.7500.

Sterling finished the week on a slightly brighter note, gaining support from the recent increase in bank base rates. Its index closed at 71.3 up from 71.2 on Thursday. Against the dollar it rose to a high of $1.1275 before coming back to finish at $1.1205-1.1215.

	January 18	Prev. close
£ Spot	$1.1210-1217	$1.1195-1205
1 month	0.40-0.36 pm	0.38-0.36 pm
3 months	0.95-0.09 pm	0.94-0.91 pm
12 months	1.85-1.75 pm	1.80-1.70 pm

Forward premiums and discounts apply to the U.S. dollar.

OTHER CURRENCIES

Jan. 18	£	$		£ Note Rates
Argentina Peso	227.82-228.26	202.60-202.80	Austria	24.90-25.20
Australia Dollar	1.3750-1.3770	1.2265-1.2275	Belgium	71.15-72.00
Brazil Cruzeiro	3,795-3,808	3,376-3,393	Denmark	12.68-12.78
Finland Markka	7.4545-7.4950	6.6550-6.6570	France	10.88-11.04
Greek Drachma	144.06-146.96	128.18-130.70	Germany	3.55-3.58
HongKong Dollar	8.7300-8.7415	7.7950-7.7960	Italy	2180-2235
Iran Rial	105.70*	94.85*	Japan	285-289
KuwaitDinar(KD)	0.34380-0.34345	0.30600-0.30610	Netherlands	4.01-4.05
Luxembourg Fr.	71.40-71.50	63.55-63.65	Norway	10.28-10.38
Malaysia Dollar	2.7900-2.7940	2.4910-2.4925	Portugal	192-207
New Zealand Dlr.	2.3815-2.3865	2.1245-2.1265	Spain	194-202
Saudi Arab Riyal	4.0145-4.0185	3.5815-3.5825	Sweden	10.17-10.27
Singapore Dollar	2.4600-2.4640	2.1965-2.1980	Switzerland	2.99-3.02
Sth African Rand	2.5810-2.6015	2.3095-2.3255	United States	1.11-1.13
U.A.E. Dirham	4.1160-4.1215	3.6730-3.6750	Yugoslavia	275-300

* Selling rate.

STERLING EXCHANGE RATE INDEX (Bank of England)

	Jan 18	Previous
8.30 am	71.3	71.4
9.00 am	71.3	71.4
10.00 am	71.2	71.4
11.00 am	71.2	71.2
Noon	71.2	71.2
1.00 pm	71.2	71.2
2.00 pm	71.2	71.2
3.00 pm	71.3	71.2
4.00 pm	71.3	71.2

POUND SPOT—FORWARD AGAINST POUND

Jan 18	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.1195-1.1275	1.1205-1.1215	0.39-0.35c pm	3.96	0.97-0.92 pm	3.37
Canada	1.4870-1.4920	1.4875-1.4895	0.33-0.24c pm	2.30	0.87-0.74 pm	2.16
Nethlnd.	4.01½-4.03¾	4.02¾-4.03¾	2¼-3c pm	6.33	5⅞-5⅝ pm	5.71
Belgium	71.20-71.50	71.40-71.50	11-5c pm	1.34	27-18 pm	1.26
Denmark	12.71¼-12.75½	12.73-12.74	¼ore pm-¾ dis	−0.24	1-2¼ dis	−0.49
Ireland	1.1442-1.1481	1.1470-1.1480	0.17-0.30p dis	−2.46	0.53-0.77dis	−2.27
W. Ger.	3.55¼-3.57¼	3.56¼-3.57¼	2-1⅞pf pm	6.52	5¾-5 pm	5.75
Portugal	192.90-195.04	192.95-194.25	215-505c dis	−22.31	625-1475dis	−21.89
Spain	196.13-197.45	196.15-197.45	15-30c dis	−1.37	60-85 dis	−1.47
Italy	2153½-2192¾	2187½-2188½	4-7lire dis	−3.02	12-16 dis	−2.56
Norway	10.23½-10.31	10.29½-10.30½	½-1½ore dis	−1.16	2¾-3¾ dis	−1.24
France	10.88-10.93½	10.89½-10.90½	1¾-1c pm	1.61	2⅞-1⅞ pm	0.87
Sweden	10.21½-10.25	10.22½-10.23½	½ore pm-½ dis	−0.22	par-¼ dis	−0.15
Japan	284¼-285	284½-285½	1.50-1.39y pm	6.08	3.86-3.73 pm	5.33
Austria	24.95-25.06	24.99-25.04	11¾-10½gro pm	5.22	29½-26¾ pm	4.48
Switz.	2.99¼-3.03½	2.99¾-3.00¾	1¾-1⅝c pm	6.76	4¾-4½ pm	6.17

Belgian rate is for convertible francs. Financial franc 71.45-71.55. Six-month forward dollar 1.44-1.39c pm. 12-month 1.80-1.65c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Jan 18	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.1195-1.1275	1.1205-1.1215	0.39-0.35c pm	3.96	0.97-0.92 pm	3.37
Ireland†	0.9770-0.9810	0.9770-0.9780	0.55-0.50c pm	6.44	1.42-1.32 pm	5.60
Canada	1.3253-1.3275	1.3270-1.3275	0.17-0.20c dis	−1.67	0.38-0.43dis	−1.22
Nethlnd.	3.5690-3.5490	3.5805-3.5815	0.69-0.66c pm	2.28	2.11-2.08 pm	2.34
Belgium	63.55-63.95	63.55-63.65	9-10c dis	−1.79	21-23 dis	−1.38
Denmark	11.29½-11.37¾	11.36¾-11.36¾	2¾-3¼ore dis	−3.17	8-8½ dis	−2.91
W. Ger.	3.1580-3.1815	3.1805-3.1815	0.70-0.65pf pm	2.55	1.97-1.92 pm	2.45
Portugal	172-173¾	172½-173¼	250-500c dis	−26.01	700-1450dis	−24.85
Spain	175.00-176.78	175.45-175.60	73-81c dis	−5.26	200-215 dis	−4.73
Italy	1943-1953	1951½-1952½	11-11½lire dis	−6.93	30-30¾ dis	−6.23
Norway	9.16½-9.21	9.20½-9.20¾	3½-4ore dis	−4.89	10-10½ dis	−4.46
France	9.68-9.75	9.74½-9.75	1.95-2.05c dis	−2.47	6.10-6.50dis	−2.61
Sweden	9.11¼-9.13¾	9.12¾-9.13¾	2.10-2.60ore dis	−3.09	6¾-7¼ dis	−3.07
Japan	253.85-254.65	254.45-254.55	0.46-0.38y pm	1.98	1.34-1.24 pm	2.03
Austria	22.19-22.35	22.30-22.35	2.60-2.00gro pm	1.24	8-6 pm	1.25
Switz.	2.6635-2.6825	2.6815-2.6825	0.62-0.56c pm	2.65	1.96-1.90 pm	2.89

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 63.75-63.85.

EXCHANGE CROSS RATES

Jan. 17	Pound St'rling	U.S. Dollar	Deutsche m'k	J'panese Yen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Frank
Pound Sterling	1.	1.121	3.568	285.0	10.90	2.998	4.028	2188.	1.489	71.45
U.S. Dollar	0.892	1.	3.181	254.5	9.748	2.682	3.581	1952.	1.328	63.60
Deutschem'rk	0.280	0.314	1.	79.89	3.055	0.840	1.129	613.3	0.417	20.03
Japanese Yen 1,000	3.509	3.933	12.52	1000.	38.35	10.52	14.13	7677.	5.223	250.7
French Franc 10	0.917	1.028	3.273	261.5	10.	2.750	3.695	2007.	1.366	65.55
Swiss Franc	0.334	0.374	1.190	95.08	3.636	1.	1.344	739.9	0.497	23.84
Dutch Guilder	0.248	0.278	0.886	70.76	2.705	0.744	1.	543.3	0.370	17.74
Italian Lira 1,000	0.457	0.512	1.630	130.3	4.982	1.370	1.841	1000.	0.680	32.66
Canadian Dollar	0.672	0.753	2.397	191.5	7.323	2.014	2.706	1470	1.	48.00
Belgian Franc 100	1.400	1.569	4.993	398.9	15.26	4.195	5.637	3062.	2.083	100.

MONEY MARKETS

Little change

Interest rates showed little overall change in London yesterday in rather quiet and featureless trading. The relative steadiness of sterling helped to keep tension to a minimum after a a week of sharp fluctuations both in the pound and interest rates. Three-month interbank money closed at 12 per cent, unchanged from the day before while three-month eligible bank bills were bid at 11$\frac{15}{32}$ per cent, also unchanged. Weekend interbank money opened at 12½-12¼ per cent and touched al ow of 9 per cent. However, late demand pushed rates to a high of 12¾ per cent with funds still commanding 12 per cent at the close.

UK clearing banks' base lending rate 12 per cent since January 14

The Bank of England forecast a shortage of around £600m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £236m and Exchequer transactions a further £105m.

To help alleviate the shortage the Bank offered an early round of assistance which totaled £42m and comprised purchases of £29m of eligible banks bills in band 2 (15-33 days) at 11⅜ per cent and in band 3 (34-63 days) £3m at 11⅜ per cent. In band 4 (64-91 days) it bought £10m of eligible bank bills at 11⅜ per cent. The forecast was later revised to a shortage of around £550m without taking into account the early help and the Bank gave additional assistance in the morning of £201m through purchases of £60m of eligible bank bills in band 1 (up to 14 days) at 11⅜ per cent and in band 2, £3m of Treasury bills and £9m of eligible banks bills all at 11⅜ per cent. In band 3 it bought £21m of eligible bank bills at 11⅜ per cent.

It also arranged sale and repurchase agreements on £108m of bills at 11⅜ per cent, unwinding on January 31. Further help in the afternoon comprised purchases of £35m of eligible bank bills in band 2 at 11⅜ per cent and £1m in band 3 at 11⅜ per cent. In band 4 it bought £6m of eligible bank bills at 11⅜ per cent. It also arranged sale and repurchase agreements on £76m of bills at 11⅜ per cent, unwinding on January 31. Late assistance came to £185m, making a total of £546m.

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

[illegible]

ECGD Fixed Rate Export Finance IV: Average Rate of Interest period December 5 1984 to January 1 1985 (inclusive): 9.913 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 10 per cent from January 1 1985. London and Scottish Clearing Bank Rates for lending 12 per cent. London Deposit Rates for sums at seven days' notice 9 per cent. Treasury Bills: Average tender rates of discount 11.4022 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 11½ per cent; one-three months 12 per cent; three-six months 11¾ per cent; six-nine months 11½ per cent; nine-12 months 11½ per cent. Under £100,000 11 per cent from January 15. Deposits held under Series 5 10 per cent. The rate for all deposits withdrawn for cash 8 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. January 18) 3 months U.S. dollars

bid 8 1/4	offer 8 3/8

6 months U.S. dollars

bid 8 11/16	offer 8 15/16

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Jan. 18	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	12⅛-12⅜	8⅛-8¼	9⅜-9⅝	5⅜-5⅞	2¼-2⅝	[illegible]	10¼-10⅜	13½-14½	10½-11	10¼-11	6⅛-6¼	11½-12
7 days' notice	12⅛-12¼	[illegible]	9⅜-9⅝	5⅝-5⅞	2¼-2½	[illegible]	10¼-10⅜	14½-15½	10½-11	10⅝-10⅞	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	5⅞-6	5⅜-5½	5½-5⅝	10½-10⅝	14½-15	10½-11	10⅝-10⅞	[illegible]	12-12½
Three months	11⅞-12	8¼-8⅜	[illegible]	5⅞-6	[illegible]	[illegible]	[illegible]	14⅝-14⅞	10½-11	[illegible]	[illegible]	[illegible]
Six months	12⅜-12⅝	[illegible]	9⅝-9⅞	[illegible]	5⅜-5½	5⅞-6	11⅛-11⅜	14¼-14⅝	10½-11	10⅝-10⅞	[illegible]	11½-12
One year	12⅜-12⅝	9½-9⅝	10-10¼	[illegible]	5⅜-5½	[illegible]	11½-11⅝	14½-15⅛	10¾-11¼	10⅝-10⅞	[illegible]	11½-12

Asian $ (closing rates in Singapore): Short-term 8⅛-8¼ per cent; seven days 8⅛-8¼ per cent; one month 8⅛-8¼ per cent; three months 8⅜-8½ per cent; six months 8⅝-8¾ per cent; one year 9⅛-9⅜ per cent. Long-term Eurodollars: two years 10⅛-10⅜ per cent; three years 11-11¼ per cent; four years 11¼-11½ per cent; five years 11⅝-11⅞ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

[illegible]

‡ Unquoted. (g) Madagascar. § Ghana cocoa. (x) Jan-Feb. (z) Mar-April. (y) March. (v) Feb.

REVIEW OF THE WEEK

London copper price hits 5-year peak

BY OUR COMMODITIES EDITOR

COPPER PRICES were very firm on the London Metal Exchaneg all week and the cash high grade quotation ended at a five-year peak of £1,240.50 a tonne, up £67 on balance.

News that LME warehouse stocks sustained a large fall last week underlined the tightening nearby supply situation and further upward pressure was provided by rumours that either South American or South African producers had been repurchasing supplies after overselling to the Far East earlier.

A strong rise in aluminium prices ran out of steam after speculative buying pushed the three months price to £1,025 a tonne in after-hours dealings on Tuesday. Values fell back quite sharply but most of the fall was regained on the strength of Far East buying and the three months quotation, which had slipped to £982 at one stage, ended £58.75 up on the week at £1,020.25 a tonne. Cash aluminium gained £53.50 on the week at £992 a tonne.

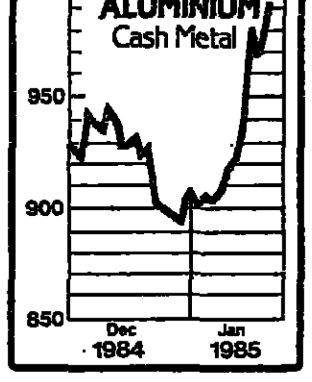
Early gains in zinc, which were helped by the threat of a strike hitting Peruvian production, were trimmed back on disappointment at prices paid by the U.S. Mint at a tender on Tuesday and news of a 2 cents a lb price cut by Amax of the U.S. The cash quotation still ended £7 up on the wek, however, at £718.50 a tonne.

Cocoa values continued their recent upsurge as the market continued to ignore basically bearish fundamental factors such as the increase in West African crop expectations.

Dealers attributed the fise, which lifted the May position £67.50 on the wek to £2,083.50 a tonne, chiefly to continuing manufacturer demand. Further encouragement was given by news of a 5.8 per cent rise in West German bean grindings in the final quarter of 1984 compared with the same 1983 period.

Sugar prices began the week strongly with the London daily raws price climbing to $117 a tonne at one stage. But heavy speculative profit-taking on the futures market forced the market back down and the LDP was fixed yesterday morning at $106 a tonne, down $11 from Thursday and unchanged on the week.

Improved roaster demand buoyed up the London coffee futures market and the March position finished £45 higher on the week at £2,378 a tonne.



BASE METALS

Amalgamated Metal Trading reported that in the morning cash higher grade traded at £1,250, three months £1,248, 49, 50, 49, 49.5, 48, 47, 47.5, 48, 48.5, 48, 49, 49.5, 50, 49.5, 49. Cathodes: Three months £1,245. Kerb: Higher Grade: Three months £1,248, 47, 46. Afternoon: Higher Grade: Three months £1,247, 46, 45, 44.5, 45, 43, 42, 41, 40.5, 40, 41, 40.5, 41, 41.5, 42. Cathodes: Three months £1,230. Kerb: Higher Grade: Three months £1,245, 44, 43, 42, 41, 40, 39, 40, 41. Turnover: 52,375 tonnes. U.S. Producers: 63-66 cents a pound.

COPPER

[illegible]

TIN

[illegible]

LEAD

[illegible]

ZINC

[illegible]

ALUMINIUM

Aluminium—Morning: Three months £1,006, [illegible] 25, 26, 27, 28, 29, 28, 27.5, 27. Afternoon: Three months £1,024, 25, 24, 24.5, 24, 22, 21, 20, 21, 20.5. Kerb: Three months £1,021, 19, 18, 18.5, 13, 20, 19. Turnover: 73,800 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	993.5	+14.5	991.5-2.5	+11.5
3 months	1021-2	+12.7	1020-.510	+10.5

NICKEL

[illegible]

SILVER

[illegible]

COCOA

[illegible]

COFFEE

[illegible]

ICO indicator prices (U.S. cents per pound) for January 17: Comp daily 1979 135.56 (134.79): 15-day average 134.10 (133.96).

GRAINS

Business done—Wheat: Jan 111.50-1.35, March 113.80-3.60, May 117.35-7.30, July and Sept untraded, Nov 102.10 only. Sales: 18 lots of 100 tonnes. Barley: Jan 112.60-2.50, March 114.25-4.15, May 117.10-6.85, Sept and Nov untraded. Sales: 46 lots of 100 tonnes.

[illegible]

PIGMEAT

[illegible]

POTATOES

[illegible]

SUGAR

[illegible]

INDICES

FINANCIAL TIMES / REUTERS / MOODY'S / DOW JONES

[illegible]

SOYABEAN MEAL

[illegible]

RUBBER

PHYSICALS — The London market opened unchanged, attracted no interest throughout the day and closed idle, reports Lewis and Peat. Closing prices (buyers): Spot 64.00p (same); Feb 74.00p (same); March 74.25p (same). The Kuala Lumpur Jan fob price for RSS No. 1 190.5 (191.5) and for SMR 20 was 182.0 (same).

Call for open water authority meetings

CONSUMERS SHOULD have the right to attend water authority meetings, the National Consumer Council says today in calling on Parliament to support a private member's Bill aimed at restoring press and public access to the meetings.

Mr Martin Smith, parliamentary officer at the NCC, is to tell the Institute of Contemporary Arts conference on the state of British secrecy that the industry's attitude towards keeping press and public informed was "out of place in the 1980s."

OIL

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arab Light	27.80-28.00	—
Arab Heavy	26.75-26.85	—
Dubai	27.35-27.45	—
Brent Blend	27.00-27.10	+0.15
W.T.I. (1pm est)	25.50-25.80	+0.05
Forcados (Nigeria)	27.55-27.65	+0.05
Urals (cif NWE)	—	—
PRODUCTS—North West Europe "cif" ($ per tonne)		
Premium gasoline	229-231	−1
Gas Oil	239-240	+0.5
Heavy fuel oil	184-188	—

All February prices.

Petroleum Argus Estimates

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Jan	234.25	−3.25	236.00-34.25
Feb	230.00	−2.00	234.00-29.75
March	221.50	−2.75	229.00-21.50
April	214.25	−3.50	218.75-14.00
May	210.55	−4.25	215.75-10.25
June	214.00	−1.00	214.75-14.00
July	209.00	−5.25	—

Turnover: 3,106 (2,717) lots of 100 tonnes.

Gold rose $2 an ounce from Thursday's close in the London bullion market yesterday to finish at $306¾-307¼. However, this was the lowest level of the day, having opened at $308-308½ and briefly touching a high of $308½-308¾. Early interest soon evaporated ahead of the weekend as the dollar showed signs of recovering from its earlier lows.

GOLD

LONDON FUTURES

Month	Yest'days close	+ or —	Business Done
	$ per troy ounce		
Jan.	—	—	—
Feb.	308.80-09.50	+2.65	309.20-07.40
April	311.80-15.50	+2.00	310.60-10.50

Turnover: 77 (97) lots of 100 troy ounces.

GOLD BULLION (fine ounce) Jan. 18

Close	$306¾-307¼	(£273½-274)
Opening	$308-308½	(£273½-274)
M'n'g fix	$306.90	(£273.164)
Aft'n'n fix	$306.00	(£274.265)

GOLD AND PLATINUM COINS

Kr'g'r'nd.	$316½-317	(£282-282½)
½ Krug.	$163-164	(£145¼-146)
¼ Krug.	$83-84	(£74-74¾)
1/10 Krug.	$33½-34½	(£29¾-30¾)
Mapleleaf	$316½-317	(£282-282½)
New Sov.	$72¼-72¾	(£64¼-64¾)
½New Sov.	$45-45	(£38¼-40)
Old Sov.	$73-74½	(£65-66½)
$20 Eagle	$460-490	(£409¾-436½)
Noble Plat	$284-287¼	(£253-256)

BR senior citizen promotion nets £1m

BRITISH RAIL'S promotion in November of £2 tickets to anywhere for senior citizens railcard holders, netted almost £1m from the sale of about 80,000 extra railcards.

As a result of the promotion, 940,000 senior citizens hold railcards which offer discounts up to 50 per cent on rail tickets.

Company fined

IN THE first prosecution of its kind, a timber treatment company was yesterday fined £1,000 for damaging the roost of a colony of whiskered bats.

Protim Services of Bradford, North Yorkshire, which admitted the charge brought under the Wildlife and Countryside Act of 1981, was also ordered to pay £350 towards prosecution costs by Skipton Court.

AMERICAN MARKETS

Heating oil opened stronger but came under early pressure on rumours that Opec members had exceeded their quotas and discounted oil prices values rallied late on commission house buying in response to forecasts of below-normal temperatures next week, reports Heinold Commodities. Soyabeans rallied for large gains late in the day on support from soya oil, which at one point traded limit-up. Maize price remained firm driving local traders into short covering. Wheat closed lower on heavy commercial and professional selling. The precious metals closed slightly lower with a weaker tone to energy values offset by the weak tone to the dollar. Copper and aluminium remained firm with continued tightness in nearby supplies supporting copper while better cash demand supported aluminium values. Sugar remained weak as good cash availability continued to limit trade support. Cocoa was steady awaiting fresh developments. Coffee was firm in response to technical considerations and on the slow pace of Brazilian sales. Coton traded firm on a better than expected export sales report.

NEW YORK

ALUMINIUM 40,00 lbs, cents/lb

	Close	High	Low	Prev
Jan	50.55	—	—	49.25
Feb	50.70	—	—	49.45
March	51.10	51.50	50.50	49.85
May	51.85	52.10	55.52	50.60
July	52.60	52.70	52.65	51.35
Sept	53.35	—	—	52.10
Dec	54.50	—	—	53.30
Jan	54.85	—	—	53.70
March	55.65	—	—	54.50
May	56.45	—	—	55.30

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Jan	628.1	—	—	629.5
Feb	628.5	—	—	630.0
March	633.0	639.0	627.0	634.5
May	641.7	643.0	441.0	643.2
July	650.9	656.0	645.0	652.4
Sept	661.0	665.0	655.5	662.5
Dec	677.1	681.0	675.0	678.6
Jan	682.7	—	—	684.2
March	693.3	—	691.5	695.3
May	705.0	—	—	707.4

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
March	2190	2195	2178	2188
May	2209	2217	2198	2207
July	2185	2195	2180	2183

[illegible]

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	High	Low	Prev
March	4.09	4.20	4.02	4.23
May	4.45	4.55	4.36	4.57

[illegible]

COFFEE "C" 37,000 lbs, cents/lb — [illegible]

COPPER 25,000 lbs, cents/lb — [illegible]

COTTON 50,000 lbs, cents/lb — [illegible]

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels — [illegible]

GOLD 100 troy oz, $/troy oz — [illegible]

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons — [illegible]

ORANGE JUICE 15,000 lbs, cents/lb — [illegible]

PLATINUM 50 troy oz, $/troy oz — [illegible]

CHICAGO

LIVE CATTLE 40,000 lbs, cents/lb — [illegible]

LIVE HOGS 30,000 lbs, cents/lb — [illegible]

MAIZE 5,000 bu min, cents/56-lb bushel — [illegible]

PORK BELLIES 38,000 lbs, cents/lb — [illegible]

SOYABEANS 5,000 bu min, cents/60-lb bushel — [illegible]

SOYABEAN MEAL 100 tons, $/ton — [illegible]

SOYABEAN OIL 60,000 lb, cents/lb — [illegible]

WHEAT 5,000 bu min, cents/60-lb bushel — [illegible]

SPOT PRICES—New York tin [illegible] cents per pound. Handy and Harman silver bullion [illegible] cents per troy ounce.

LONDON STOCK EXCHANGE

MARKET REPORT

Last-minute dash sends FT Ordinary share index through 1,000 mark for the first time

Account Dealing Dates

Option *First Dealings	Declara-tions	Last Dealings	Account Day
Dec 24	Jan 10	Jan 11	Jan 21
Jan 14	Jan 24	Jan 25	Feb 4
Jan 28	Feb 7	Feb 8	Feb 18

* "New-time" dealings may take place from 9.30 am two business days earlier.

A last-minute dash to breach 1,000 before the week-end succeeded when the FT Ordinary shares index surged higher late to close at 1,004.4. The last few hours of the London session were nail-biting with the interval between the 3 pm and final calculation of the index causing intense speculation about whether the long-established barometer of the trend would achieve a landmark.

The final surge in leading shares began only in the late-afternoon trade. Before then, values had seemed content to consolidate the sharp gains made since Monday. On that day, markets received a setback following further rises in UK interest rates, and particularly the revival of Minimum Lending Rate, last used in August 1981.

The spectre of dearer money failed to daunt the institutions, however. For the past four trading sessions, aggressive demand from fund managers and other larger investors has sent many blue chip industrials to new highs. Severe stock shortages have aggravated the situation and the index has risen uninterruptedly. Yesterday it closed 17.2 up for a four-day advance of over 55 points.

Sterling's continued stability and the "Group of Five" finance ministers' warning of possible official intervention was enough to make foreign exchange speculators stop and think yesterday. Sentiment was also helped by Press comment which calmed fears of heavier Government funding after Thursday's news on the Public Sector Borrowing Requirement.

This was particularly welcome for Gilt-edged stocks. Investors were encouraged and longer-dated issues recovered much of Thursday's fall to close ¾ higher in places. The latest RPI, which showed year-on-year inflation slightly lower at 4.6 per cent, induced further support not only for conventional but also rather strangeley for indx-llinked stocks.

Dunlop, which only returned from suspension on Thursday following details of the planned reconstruction, touched off a controversy. News of a cash, or share exchange, offer for both ordinary and preference shares from BTR, up 69 at 686p, triggered heavy buying which impinged on market bear positions. Dunlop subsequently raced higher to 36p, up 5, and the preference jumped 21 to 73; BTR hold sufficient of the latter class of shares to stop the reconstruction proposals from being implemented.

RBS FEATURE

Royal Bank of Scotland highlighted the banking sector, rising 18 to 246p following a squeeze on bear positions; the rise was also accompanied by gossip regarding Lloyds Bank's 21.3 per cent stake in the company. Meanwhile, Charterhouse J. Rothschild softened a couple of pence more for a decline of 9 on the week at 107p on further consideration of the sale of its Charterhouse Japhet merchant banking arm and some associated development companies to RBS for £151.6m. The major clearing banks ended the week quietly firm.

Further support of Lloyds Brokers reflected the sector's considerable dollar earnings potential. PWS International advanced 20 afresh to 505p and Stewart Wrightson gained 28 to 583p. Hogg Robinson continued to advance on bid hopes and finished 6 up for a rise of 22 on the week at 267p. Composites plotted an irriguar course. General Accident dropped 10 to 515p, after 511p, on a broker's downgraded profits forecast, but Commercial Union moved up 3 to 203p on Press speculation about a bid from Charterhouse J. Rothschild.

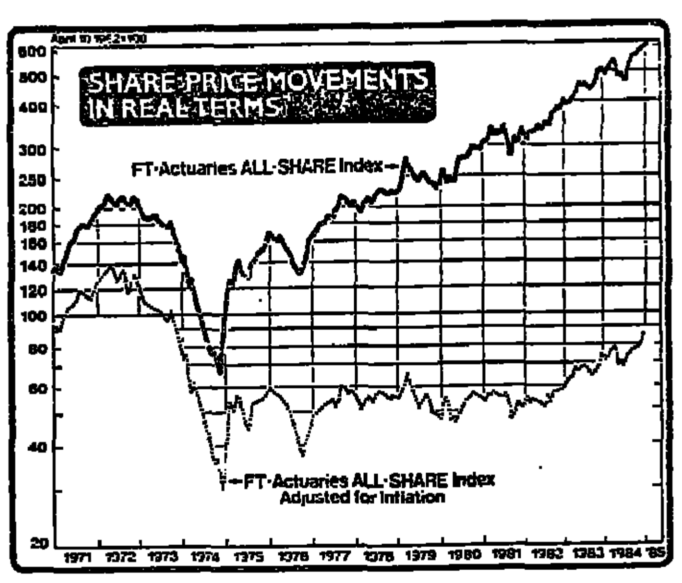
RTZ gain ground

Spafax TV, which staged a highly successful debut in the Unlisted Securities Market on Thursday, attracted fresh support and rose 7 to 95p compared with the placing price of 68p.

Wines and Spirits featured Distillers which advanced 7 for a two-day gain of 18 at 311p as de Zoete and Bevan mirrored Wood Mackenzie's encouraging circular.

Leading Buildings closed on a firm note despite the Building Societies' decision to raise mortgage rates. George Wimpey hardened a couple of pence to 119p helped by talk of a broker's circular, while Taylor Woodrow rose 5 to 372p on occasional buying. AMEC continued to trade firmly at 254p, up 5, while sporadic support in a restricted market lifted Newarthill 10 to 640p. Tilbury Group firmed 4 for a two-day gain of 12 to 124p on speculative buying and A. Monk added 2 to 120p in response to a broker's recommendation. After Thursday's rise of 36 in the wake of a good annual results, SGB encountered profit-taking and slipped 8 to 162p.

ICI slipped to 782p before picking up on late support to close unchanged at 786p for a gain on the week of 28, the annual results are due on February 28.



W H Smith rise afresh

The rıset in mortgage rates was fully discounted by leading Retailers which finished the week in fine fashion; double-figures gains were common to Woolworth, 618p, and Burton, 468p, the latter amid speculation that it is about to bid for the John Collier menswear chain—a former target. Dixons improved 7 to 554p on further consideration of the interim results, but MFI which also revealed half-time figures on Thursday, dipped 12 to 234p following cautious comment; Phillips and Drew has downgraded its current year forecast for MFI to £46m. Proceeding elsewhere in secondary Stores centred on takeover speculation. Foremost on this front was W. H. Smith A which advanced to 210p before settling a net 18 up at 204p; Arthur Guinness which gained control of Martin The Newsagent last year was again suggested as a possible suitor. Other newsagents also benefited with NSS 10 up at 110p and John Menzies 13 better at 243p. W.W. (formerly Wilkinson Warburton) provided one of the session's largest improvements, posting a leap of 57 to 220p, after 228p following a bid approach.

Racal led the Electrical majors higher, closing 12 up at 288p, following buying ahead of next Wednesday's interim results. Thorn EMI retrieved 13 more at 453p and GEC added 6 at 214p. British Telecom attained yet another peak of 132p, up a further 3. Elsewhere, Standard Telephones and Cables fell 6 to 272p following news of the 650 redundancies at its ICL subsidiary. International Signal and Controls relinquished 8 at 290p, but Renishaw benefited from an investment recommendation and jumped 18 to 376p.

Buying interest continued in the Engineering sector and one of the liveliest weeks for some time in this area finished on a distinctly firm note. Among the leaders, Hawker, partly reflecting U.S. support, closed 16 to the good at 445p. GKN improved 6 to 210p, while continued speculative buying on bid hopes left TI a like amount dearer at 252p, after 254p. Tace, up 18 more at 425p, and Goring Kerr, 30 higher at 525p, continued to benefit from the good perliminary figures. Davy Corporation rallied smartly to close 8 dearer at 94p after the previous day's setback which followed the interim results. Butterfield Harvey closed 3½ higher at 26p following the 25p per share cash offer from Technology Inc.

Foods attracted selective support. Associated British Foods rose 10 to 214p on talk that the group may sell its Fine Fare supermarket chain to Argyll, while frozen foods retailer Bejam gained 12 to 170p on hopes of increased demand for its products because of the shortage of fresh vegetables due to the current inclement weather. Buying ahead of the interim results due next Thursday lifted Fitch Lovell 6 to 210p. Takeover favourite Tate and Lyle rose 7 to 495p, but Rowntree Mackintosh continued to slip in the absence of any bid developments and closed a couple of pence cheaper at 360p, after 355p.

Gestetner jump

A late flurry of demand left many of the miscellaneous industrial leaders at fresh 1984-85 peaks. Trafalgar House, assisted by option demand, advanced 12 to 381p. Hanson Trust finished 11 to the good at 344p, while Powell Duffryn advanced 20 to 448p in sympathy; it was announced yesterday that Hanson's bid for PD is not to be referred to the Monopolies Commission. BOC put on 8 further to 304p, while Beecham ended 5 dearer at 380p and Glaxo ¼ harder at £11¾. Elsewhere, Gestetner issues featured sharp rises following the results and enfranchisement proposal; Gestetner "A" rose 28 to 105p, while the capital and ordinary shares both gained 40 to the common price of 130p. Press mention stimulated buying interest in Cookson, 10 to the good at 488p, and Evered, 8 higher at 164p. Rank Organisation, still reflecting a recent broker's recommendation, improved 8 further to 328p; preliminary results are due on January 29. Valor found support at 180p, up 8, while revived demand in a limited market left Barham 20 higher at 390p. Renewed bid speculation prompted a rise of 4 to 116p in LCP, while other noteworthy movements included Foseco, 8 dearer at 227p, and Welseley-Hughes, 15 higher at 328p. Malamet Holdings held at 48p; the price given in yesterday's edition was incorrect.

The spotlight fell on casino concerns following Pleasurama's agreed bid for Trident TV; the latter jumped 32 to 241p, while Aspinall Holdings, also excited by the news, closed 18 higher at 128p. Pleasurama settled 4 cheaper at 388p, after 385p. Elsewhere, renewed demand in a restricted market lifted Samuelson Group 105 to 755p.

Demand for Jaguar continued apace; the prospect of bumper sales in the U.S. again stimulated American support and following yet another lively Traded Options business the shares attained a new peak of 297p, up 9, a gain over the week of 18. Components were irregular. Lucas, 258p, and Dowty, 207p, gave 4 and 9 respectively following profit-taking, but sharply increased full-year profits and the return to the dividend list left Abbey Panels 6 to the good at 93p. Among Distributors, Lex Service hardened 4 more to 317p, while Hartwells, buoyant of late following a visit from brokers de Zoete and Bevan, improved 6 for a gain on the week of 15 at 97p.

Publishers continued to make impressive progress. Associated Newspapers, which revealed excellent annual results last Friday week, improved 27 more to 650p, while the associate Daily Mail "A" closed ½ up at £11¼. Fleet Holdings rose 8 more to 242p, still excited by the substantial stakes disclosed this week by United Newspapers and Warburg Investment Management. Elsewhere, speculators showed fresh enthusiasm for advertising agency Geers Gross, 16 better at 165p.

Properties drifted lower on lack of interest before staging a minor rally. Land Securities still settled a couple of pence cheaper at 293p, as did MEPC, at 313p. Elsewhere, County Properties, up 8 more at 114p, continued to respond to the results and proposal to buy back its own shares. USM-quoted New England Properties gained 4 to 24p ahead of a promotional meeting, while Alfred Walker added 2 to 80p on news that the company had increased its stake in engineering concern SEP Industrial to 26.7 per cent.

P&O Deferred continued to attract institutional funds following the proposed merger with Sterling Guarantee Trust and advanced 13 more to 413p, a premium of 88 on the suspension price of 325p; SGT rose 5 more to 78p with the 7 per cent Preference 14 higher at 387p. Elsewhere in Shippings, Milford Docks gained 5 more for a week's spurt of 19 at 55p amid widespread speculation of a sizeable stakeholding changing hands. It was announced well after the market close that a consortium headed by the Marquis of Milford Haven has signed an option to acquire NG Investments' 29.7 per cent holding.

No comment.

Stockjobbing concern Smith Bros rose 8 to 116p on the appearance of a couple of large buyers. Among other Financial Trusts, Britannia Arrow, reflecting continued bid gossip, eased initially to 106p, but rallied to end unchanged at the overnight level of 109p but 9 dearer on the week.

Oils move ahead

The sustained rally in crude oil spot prices throughout the week, reflecting the prolonged spell of bad weather in parts of the U.S. and Europe, underpinned leading oils which closed on a steady note.

Although turnover was much lower, BP managed a 5 gain at 488p. Shell, heavily traded in mid-week, settled 3 better at 683p — a gain of 25 over the five-day period.

No comment.

RBS feature

Another good performance by the bullion price, which closed $2 better at $307, enabled South African Gold shares to close the week on a modestly firm note. Interest, however, remained at minimal levels.

Share prices opened relatively steady but soon weakened as the Rand fell sharply on technical factors. Therefater, the South African currency staged a good rally and ensuing Cape buying interest coupled with a stock shortage led to a useful recovery in share prices which eventually settled with minor gains across the board. The Gold Mines index improved for the third successive day and posted a 3.9 gain at 466.3.

Financials were again featured by Rio Tinto-Zinc which advanced 15 to 630p, following the continued strength of copper prices, a firmer trend in bullion.

Sizeable American support gave a major boost to Minorco which raced ahead to close 50 to the good at 600p.

The recent revival in "down-under" mining issues picked up momentum following the latest rise in precious and base-metal prices. Top performers in the leading group included CRA, up 10 more at 382p, Renison which added 7 at 262p and Western Mining, 4 better at 208p.

Elsewhere, Geevor Tin continued to reflect bid hopes and rose 8 more to a 1984-85 high of 235p.

Yet another brisk turnover developed in Traded Options. Total contracts struck amounted to 18,371 bringing the week's total to 73,361 — a daily average of 14,672. Once again, a substantial proportion of business was directed towards British Telecom which attracted 5,350 calls, the February and May 130's accounting for 1,228 and 1,913 trades respectively. BT also recorded 3,337 puts. ICI returned to favour with 1,284 calls struck, while Jaguar and Marks and Spencer attracted 881 and 705 calls respectively. Business should receive another boost from next Thursday which sees the introduction of traded option contracts in BTR on the March/June/September cycle.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri Jan 18 1985 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs Jan 17 Index No.	Wed Jan 16 Index No.	Tues Jan 15 Index No.	Mon Jan 14 Index No.	Year ago (approx.) Index No.	1984-85 High		1984-85 Low		Since Compilation High		Since Compilation Low	
1	CAPITAL GOODS (207)	571.61	+2.1	9.30	3.76	13.46	559.89	558.56	550.67	548.62	496.22	571.61	18/1/85	450.90	12/7/84	571.61	18/1/85	50.71	13/12/74
2	Building Materials (23)	497.85	+0.2	12.89	5.00	9.61	497.08	492.67	490.98	488.07	475.30	537.59	27/4/84	402.18	12/7/84	537.59	27/4/84	44.27	11/12/74
3	Contracting, Construction (30)	749.68	+0.7	12.90	5.26	9.93	744.77	730.61	724.16	728.31	734.98	776.48	25/4/84	602.70	19/7/84	831.09	15/3/83	71.48	2/12/74
4	Electricals (15)	1699.27	+0.1	9.54	4.39	13.24	1696.86	1678.71	1638.99	1630.62	1741.99	1802.52	20/3/84	1404.80	24/7/84	1909.93	3/6/83	84.71	25/6/62
5	Electronics (36)	1931.76	+1.8	7.63	2.51	16.93	1897.60	1925.31	1899.66	1894.09	1729.07	2049.85	13/11/84	1581.70	31/5/84	2049.05	13/11/84	1581.70	31/5/84
6	Mechanical Engineering (60)	290.93	+1.0	11.45	5.00	10.40	288.13	284.67	281.52	281.15	233.45	290.93	18/1/85	212.79	3/1/84	290.93	18/1/85	45.43	5/1/75
8	Metals and Metal Forming (8)	179.29	+0.5	12.62	7.24	9.79	178.38	173.24	166.28	165.08	195.07	209.74	13/3/84	153.97	18/10/84	209.74	13/3/84	49.65	6/1/75
9	Motors (18)	158.21	+1.8	11.07	4.78	—	155.35	152.13	148.49	146.93	132.70	158.21	18/1/85	112.73	19/7/84	170.59	15/1/69	19.91	6/1/75
10	Other Industrial Materials (17)	925.26	+7.3	5.46	2.89	22.87	862.33	854.14	835.10	829.19	630.53	925.26	18/1/85	592.04	13/7/84	925.26	18/1/85	277.55	15/1/81
21	CONSUMER GROUP (179)	636.78	+0.9	9.10	3.73	13.28	631.22	626.44	616.01	609.86	490.58	636.80	10/1/85	461.40	3/1/84	636.80	10/1/85	61.41	13/12/74
22	Brewers and Distillers (23)	580.44	+0.5	11.68	4.61	10.53	577.72	574.46	562.68	552.67	467.32	586.20	9/1/85	439.89	3/1/84	586.20	9/1/85	69.47	13/12/74
25	Food Manufacturing (20)	500.81	+1.0	11.72	4.63	10.67	496.05	495.24	489.86	487.36	396.42	500.81	18/1/85	355.25	12/7/84	500.81	18/1/85	59.67	11/12/74
26	Food Retailing (12)	1463.21	+0.3	6.54	2.41	20.37	1458.23	1434.88	1418.54	1403.90	1107.15	1468.44	10/1/85	1057.23	10/2/84	1468.44	10/1/85	54.25	11/12/74
27	Health and Household Products (9)	1045.39	+1.0	5.45	2.54	21.54	1035.20	1025.25	991.79	989.77	775.75	1045.39	18/1/85	706.26	4/1/84	1045.39	18/1/85	175.38	22/5/80
29	Leisure (23)	712.79	+0.9	7.82	4.56	16.51	706.74	696.81	693.94	684.53	645.63	715.06	9/1/85	522.19	25/7/84	715.06	9/1/85	54.83	9/1/75
32	Newspapers, Publishing (11)	1637.22	+2.5	7.04	4.50	18.37	1597.28	1563.95	1548.11	1512.76	1199.55	1637.22	18/1/85	1087.65	3/1/84	1637.22	18/1/85	55.08	6/1/75
33	Packaging and Paper (14)	301.32	+0.4	12.27	4.81	9.48	300.03	298.31	296.07	295.35	240.78	304.03	10/1/85	211.47	24/7/84	304.03	10/1/85	43.46	6/1/75
34	Stores (45)	556.58	+1.3	7.23	3.34	16.74	549.63	545.76	538.35	531.48	439.58	568.78	10/1/85	388.27	12/7/84	568.78	10/1/85	52.63	6/1/75
35	Textiles (19)	321.16	−0.2	12.41	4.36	9.28	321.71	323.09	315.84	311.91	271.32	323.09	16/1/85	243.79	16/7/84	323.09	16/1/85	62.66	11/12/74
36	Tobaccos (3)	946.79	+1.1	13.24	4.06	8.42	936.88	932.44	916.68	910.28	570.31	946.79	18/1/85	508.50	5/1/84	946.79	18/1/85	94.34	13/6/62
41	OTHER GROUPS (97)	673.27	+1.4	8.78	3.88	14.45	664.30	654.72	639.74	635.51	442.57	673.27	18/1/85	408.65	12/7/84	673.27	18/1/85	58.63	6/1/75
42	Chemicals (17)	775.38	+0.6	11.59	4.21	11.02	770.48	761.23	741.89	739.76	639.44	775.38	18/1/85	543.52	13/7/84	775.38	18/1/85	71.20	1/12/74
44	Office Equipment (4)	174.01	+3.9	6.50	4.42	17.47	167.53	163.83	160.42	160.57	122.46	174.01	18/1/85	109.30	3/1/84	246.06	1/9/72	45.34	2/1/75
45	Shipping and Transport (13)	1106.01	+1.3	7.82	4.41	16.34	1092.07	1083.41	1052.49	1052.66	850.26	1106.01	18/1/85	766.98	12/7/84	1106.01	18/1/85	90.80	29/6/62
46	Miscellaneous (61)	852.32	+1.7	7.64	3.26	15.91	838.05	830.11	819.27	810.62	574.29	852.32	18/1/85	533.90	4/1/84	852.32	18/1/85	60.39	6/7/75
48	Telephone Networks (2)	804.22	+1.4	8.32	4.00	15.68	793.40	778.16	756.92	751.38	0.0	804.22	18/1/85	519.15	30/11/84	804.22	18/1/85	519.15	30/11/84
49	INDUSTRIAL GROUP (483)	638.88	+1.3	9.07	3.78	13.61	630.51	625.49	614.49	609.93	490.43	638.88	18/1/85	456.41	12/7/84	638.88	18/1/85	59.01	13/12/74
51	Oils (17)	1090.40	+0.9	15.99	6.89	7.73	1080.70	1082.90	1069.76	1048.79	1006.22	1199.54	21/5/84	933.37	30/7/84	1199.54	21/5/84	87.23	29/5/62
59	500 SHARE INDEX (500)	676.95	+1.3	9.96	4.18	12.40	668.45	664.00	652.79	646.90	533.58	676.95	18/1/85	500.98	24/7/84	676.95	18/1/85	63.49	13/12/74
61	FINANCIAL GROUP (118)	442.71	+0.4	—	4.98	—	440.81	439.82	433.94	432.53	392.26	443.00	9/1/85	344.83	31/5/84	443.00	9/1/85	55.88	13/12/74
62	Banks (6)	439.46	+1.3	19.39	6.42	6.53	433.71	431.65	426.75	426.54	418.68	445.45	9/1/85	336.01	31/5/84	445.45	9/1/85	62.44	12/12/74
65	Insurance (Life) (9)	600.41	+0.6	—	4.51	—	596.65	590.60	587.37	585.91	542.83	605.94	9/1/85	443.08	31/5/84	605.94	9/1/85	44.88	2/1/75
66	Insurance (Composite) (7)	314.29	−0.7	—	5.94	—	316.52	319.13	316.17	315.71	261.75	319.13	16/1/85	247.22	3/1/84	319.13	16/1/85	43.96	13/12/74
67	Insurance (Brokers) (6)	1110.82	+2.5	6.93	3.12	20.01	1083.30	1077.79	1057.72	1047.58	672.78	1110.82	18/1/85	610.72	1/3/84	1110.82	18/1/85	65.86	16/12/74
68	Merchant Banks (12)	247.00	−0.4	—	4.34	—	248.03	248.76	242.08	239.24	250.57	251.54	11/4/84	184.10	24/7/84	278.57	1/5/72	31.21	7/1/75
69	Property (53)	630.42	—	5.39	3.55	24.71	630.45	632.68	620.25	618.35	545.99	648.74	19/12/84	520.77	10/2/84	648.74	19/12/84	56.01	20/4/65
70	Other Financial (25)	283.69	—	9.41	5.47	12.92	283.77	278.97	275.90	274.40	276.95	283.77	17/1/85	224.07	24/7/84	303.18	18/5/72	33.29	17/12/74
71	Investment Trusts (105)	591.47	−0.1	—	3.29	—	591.86	586.54	578.31	575.03	512.97	591.86	17/1/85	457.91	1/6/84	591.86	17/1/85	71.12	13/12/74
81	Mining Finance (4)	285.35	+1.2	10.35	5.31	12.25	281.97	277.00	272.06	273.17	304.34	337.57	10/4/84	250.14	24/7/84	337.57	10/4/84	66.31	30/9/74
91	Overseas Traders (14)	665.62	+1.6	8.81	5.83	13.89	655.11	647.42	641.20	639.07	544.96	665.62	18/1/85	485.16	12/7/84	665.62	18/1/85	97.37	6/1/75
99	ALL-SHARE INDEX (741)	614.96	+1.1	—	4.29	—	608.39	604.53	594.77	590.17	499.55	614.96	18/1/85	464.84	24/7/84	614.96	18/1/85	61.92	13/12/74
		Index No.	Day's Change	Day's High	Day's Low														
	FT-SE 100 SHARE INDEX	1277.9	+17.5	1278.0	1261.6	—	1260.4	1254.1	1233.2	1220.5		1277.9	18/1/85	986.9	23/7/84	1277.9	18/1/85	986.9	23/7/84

FIXED INTEREST

	PRICE INDICES	Fri Jan 18	Day's change %	Thurs Jan 17	xd adj. today	xd adj. 1985 to date
	British Government					
1	5 years	116.60	+0.36	116.22	0.03	0.82
2	5-15 years	126.57	+0.48	125.96	—	0.55
3	Over 15 years	132.99	+0.50	132.32	—	0.00
4	Irredeemables	144.31	+0.48	143.63	—	0.00
5	All stocks	125.82	+0.44	125.28	0.01	0.58
6	Debentures & Loans	106.73	+0.24	106.47	—	0.15
7	Preference	76.71	+0.20	76.55	—	0.30
	BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8	All stocks	107.17	+0.23	106.93	—	0.18

	AVERAGE GROSS REDEMPTION YIELDS		Fri Jan 18	Thurs Jan 17	Year ago (approx.)	1984 Highs		1984 Lows	
	British Government								
1	Low Coupons	5 years	11.00	11.08	9.68	12.02	30/7/84	9.24	17/1/84
2		15 years	10.85	10.91	10.11	11.65	30/7/84	9.88	9/1/84
3		25 years	10.38	10.38	9.73	10.98	23/7/84	9.63	9/1/84
4	Medium Coupons	5 years	11.63	11.73	11.04	13.13	30/7/84	10.49	13/3/84
5		15 years	11.26	11.32	10.71	12.20	30/7/84	10.41	9/1/84
6		25 years	10.68	10.74	10.02	11.53	23/7/84	9.87	9/1/84
7	High Coupons	5 years	11.77	11.87	11.21	13.18	30/7/84	10.62	6/3/84
8		15 years	11.41	11.47	10.87	12.30	30/7/84	10.61	13/3/84
9		25 years	10.72	10.79	10.17	11.40	23/7/84	9.98	9/1/84
10	Irredeemables†		10.23	10.27	9.72	10.84	30/7/84	9.54	12/11/84
11	Debs & Loans	5 years	12.11	12.05	11.51	12.99	1/8/84	11.18	22/3/84
12		15 years	12.04	12.03	11.50	13.04	31/7/84	11.29	29/3/84
13		25 years	11.96	12.03	11.49	13.10	12/7/84	11.29	29/3/84
14	Preference†		12.89	12.92	12.27	13.44	17/7/84	11.90	7/3/84
15	Inflation rate	5%	3.49	3.54	3.19	4.02	30/7/84	3.16	4/1/84
16		10%	3.30	3.37	3.01	3.82	30/7/84	2.99	4/1/84

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Telephone Networks	30/11/84	517.92	Food Manufacturing	29/12/67	114.13
Electronics	30/12/83	1646.65	Food Retailing	29/12/67	114.13
Other Industrial Materials	31/12/80	287.41	Insurance Brokers	29/12/67	96.67
Health/Household Products	30/12/77	261.77	Mining Finance	29/12/67	100.00
Other Groups	31/12/74	63.75	All Other	10/04/62	100.00
Overseas Traders	31/12/74	100.00	British Government	31/12/75	100.00
Mechanical Engineering	31/12/71	153.84	Do. Index-linked	30/04/82	100.00
Office Equipment	16/01/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72
Other Financial	31/12/70	128.06	FT-SE 100 Index	30/12/83	1000.00

† Flat yield. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

CONSTITUENT CHANGES: Comfort Hotels (29) has been deleted and replaced by Kennedy Brookes (29).

NEW HIGHS AND LOWS FOR 1984/85

NEW HIGHS (214)

AMERICANS (6)
CANADIANS (5)
BANKS (4)
BREWERS (2)
BUILDINGS (2)
CHEMICALS (8)
STORES (10)
ELECTRICALS (12)
ENGINEERING (15)
FOODS (11)
HOTELS (2)
INDUSTRIALS (39)
INSURANCE (11)
LEISURE (2)
MOTORS (3)
NEWSPAPERS (6)
PAPER (4)
PROPERTY (4)
TEXTILES (5)
SHOES (1)
SHIPPING (1)
TRUSTS (50)
OILS (2)
OVERSEAS TRADERS (3)
PLANTATIONS (1)
MINES (3)

NEW LOWS (11)

CANADIANS (1)
Bow Valley
BREWERS (1)
Ruddle (G.)
ELECTRICALS (1)
Real Time Control
INDUSTRIALS (1)
Walker & Homer
SHIPPING (2)
Lyle Shipping Turnbull Scott
SOUTH AFRICANS (1)
SA Brews.
OILS (2)
Firstland Oil & Gas Petrolex
MINES (2)
Free State Dvlpt. Asia Oil & Mins.

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	102	—	3	241	214	70
Corporations, Dom. and Foreign Bonds	27	3	44	66	122	178
Industrials	430	203	811	1,913	1,353	3,954
Financial and Props.	128	86	330	846	463	1,411
Oils	33	27	64	129	119	372
Plantations	7	1	9	29	12	44
Mines	72	24	82	213	200	477
Others	63	71	71	401	285	353
Totals	862	415	1,414	3,838	2,768	6,859

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Assoc. Newspapers	650	+37	Hawker Siddeley	445	+16
BTR	686	+69	Lucas Inds.	258	− 4
Dowty	207	− 9	P & O Defd.	413	+13
Dunlop	36	+ 5	Renishaw	376	+18
Gestetner A	105	+28	Trident TV A	241	+32
Hanson Trust	344	+11	Valor	180	+ 8

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Dunlop	31	31	—	ICI	15	786	+10
Spafax TV New	24	88	—	TI	15	246	+ 8
BOC	19	296	+ 9	Eurotherm Intl.	14	340	+46
SGB	19	170	+36	RTZ	14	615	+12
Dowty	18	216	+24	Brsfrd. (S&W)	13	181	—
Brit. Telecom	15	129	+ 4	Trident TV A	13	209	+ 9
Dixons	15	547	+ 5	Distillers	12	304	+11

FINANCIAL TIMES STOCK INDICES

	Jan. 18	Jan. 17	Jan. 16	Jan. 15	Jan. 14	Jan. 11	year ago
Government Secs.	80.06	79.73	80.17	79.97	79.91	80.95	83.88
Fixed Interest	85.98	85.59	86.05	85.90	84.12	85.17	87.82
Ordinary	1004.4	987.2	981.5	961.8	949.3	958.8	825.9
Gold Mines	466.3	462.4	460.4	460.1	465.8	474.2	545.1
Ord. Div. Yield	4.33	4.38	4.41	4.50	4.55	4.47	4.34
Earnings, Yld.% (full)	10.85	11.04	11.11	11.38	11.50	11.32	9.13
P/E Ratio (net) (*)	11.09	10.88	10.81	10.66	10.48	10.59	13.41
Total bargains (Est.)	26,509	25,860	26,152	29,573	32,779	24,676	30,486
Equity turnover £m.	—	500.42	574.31	436.59	513.41	588.85	365.01
Equity bargains	—	26,182	23,849	23,984	29,628	32,982	26,382
Shares traded (ml)	—	260.7	268.3	218.2	255.6	300.0	215.1

10 am 989.1. 11 am 992.1. Noon 988.2. 1 pm 990.5.
2 pm 993.3. 3 pm 994.5.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest index 01-246 8026.

* Nil = 10.74.

HIGHS AND LOWS

—	1984/85 High	1984/85 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Sec.	83.77 (9/1/84)	75.72 (30/7/84)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.48 (14/3/84)	80.43 (30/7/84)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1004.4 (18/1/85)	755.3 (25/7/84)	1004.4 (18/1/85)	49.4 (26/6/40)
Gold Mines	711.7 (8/3/84)	445.3 (7/1/85)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Jan. 17	Jan. 16
Daily Gilt Edged Bargains	149.1	181.6
Equities Bargains	162.5	154.5
Equities Value	1011.5	1180.8
5day Average Gilt Edged Bargains	174.4	175.1
Equities Bargains	175.6	186.3
Equities Value	1048.3	1087.8

LEADERS AND LAGGARDS

Percentage changes since December 31, 1984, based on Thursday, January 17, 1985.

Shipping and Transport	+	13.44
Telephone Networks	+	12.96
Merchant Banks	+	11.61
Newspapers, Publishing	+	9.06
Other Groups	+	8.69
Motors	+	7.67
Textiles	+	7.09
Office Equipment	+	6.86
Electricals	+	6.65
Chemicals	+	6.52
Metals and Metal Forming	+	6.32
Insurance Brokers	+	5.11
Overseas Traders	+	4.76
Tobaccos	+	4.08
Investment Trusts	+	3.59
Mechanical Engineering	+	3.38
Packaging and Paper	+	3.07
Industrial Group	+	3.02
Food Manufacturing	+	2.98
Mining Finance	+	2.87
500 Share Index	+	2.77
All-Share Index	+	2.61
Other Industrial Materials	+	2.41
Insurance (Life)	+	2.31
Leisure	+	1.92
Consumer Group	+	1.89
Insurance (Composite)	+	1.61
Health and H'sehold Products	+	1.59
Brewers and Distillers	+	1.31
Financial Group	+	1.28
Oils	+	1.05
Contracting, Construction	+	0.58
Capital Goods	+	0.28
Food Retailing	−	0.25
Stores	−	0.59
Banks	−	1.09
Property	−	1.56
Electronics	−	2.58
Building Materials	−	2.78
Gold Mines Index	−	3.46

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Jan 21	Feb 1	April 25	May 7
Feb 4	Feb 15	May 9	May 20
Feb 18	March 1	May 30	June 10

For rate indications see end of Share Information Service.

Money was given for the call of Combined Technologies, Amstrad Consumer Electronics, British Telecom, Clive Discount, Bryson, Polly Peck, Premier Oil, BTR, Dunlop, Atlantic Resources, MIM Holdings, Normans, North Kalgurli, Samantha, I. and J. Hyman, Imps, Aran Energy and Northern Engineering Industries. Puts were taken out in Dunlop, Westland and Gestetner A, while doubles were transacted in Davy Corporation, British Telecom, International Signal and Control and Clive Discount.

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Last Thurs. close	Change on week	Stock	No. of changes	Last Thurs. close	Change on week
Falcon Res.	143	280	+27	Glaxo	92	£11⅝	+ 0⅜
P & O Defd.	108	400	+75*	BTR	91	617	− 8
Hanson Trust	105	333	− 4	Jaguar	90	288	+ 8
Shell Trans.	99	680	+27	BAT Inds.	89	353	− 7
Thorn EMI	99	440xd	−20	HK & Shanghai.	89	105	+ 3
Comm. Union	98	200	+10	Trusthse Forte	86	161	+ 3
Cable & Wire.	93	512	+ 8	Rwntree. Mack.	85	362	− 8

* Based on price at suspension.

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price	+or−	Net Div.	Times covered	Gross Yield	P/E Ratio
§10	F.P.	—	13½	12	✠B'nnett&Fount'n10p	13	.....	bg0.42	1.8	4.6	15.7
§160	F.P.	18/1	225	176	Candover Inv.	213	+1	H1.4	—	0.9	—
‖‖	F.P.	—	100	88	GBC Capital	100	+1	Q2.4	—	1.5	—
‖‖	F.P.	—	26	21	Do. Warrants	26	+1	—	—	—	—
¶¶	F.P.	—	90	81	Hawley Group $0.01	90	+5	1.86	3.2	3.0	15.0
	F.P.	1/2	26	21	Jap.AssetsTstWar'nts	23	+1				
§62	F.P.	1/2	57	54	Kingsley&Forester20p	56	+1	bg3.84	1.9	7.8	8.6
§56	F.P.	6/2	57	55	✠Optometrics(U.S.A.)	56		Q2c	—	3.0	—
§130	F.P.	25/1	160	150	✠Penny & Giles Intl.	155	+5	bg1.62	2.6	1.7	28.0
92	F.P.	24/1	95	88	ProcessSystems$0.025	91		Q0.25c	9.3	0.2	—
§68	F.P.		95	82	✠Spafax Television	95	+7	b2.0	2.8	3.0	17.5
132	F.P.	11/1	221	166	Wardle Storeys 10p	221	+6	u5.0	2.2	3.2	13.5
20	F.P.	21/1	23½	20½	Williams (Rex) Leis.5p	21	.....	u0.91	1.4	6.9	14.5

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price £	+or−
91.574	£30	10/4	34¼	29¾	African Dev. Bank 11⅛% Ln. 2010	30¼	+⅛
$100	F.P.	11/1	102½	100	Comm Bk of Wales15¼% SubUns Ln 95-97	101	
‖	F.P.	22/2	124	108	F. & C. Eurotrust 5¼% Cnv. Ln. '95	124	
‖100	F.P.	22/2	118p	112p	Fil 7.7% Cnv. Cum. Red. Prf. £1	112p	
§101	£51	15/2	54	50	Felixstowe Dock Prf. Units †	50	
¶¶	F.P.	1/3	98	91	Grovebell 7.5% Cnv. Red. Cum. Pref.	91	
85.81	£30	19/6	30⅛	27½	Int.-Am. Dev. Bk. 9¾Ln. 2015	28½	+⅜
99.161	F.P.	17/1	104⅛	97¾	Intl. Bk. for Recon. & Dev. 11½% Ln. 2005	99	
‖	F.P.	1/2	109	103	Jap. Assets Tst. 4¼% Uns. Cnv. Ln. 1994	104	
‖	F.P.	1/2	150p	130p	Johnson Matthey 8% Cnv. Cum. Prf.	150p	+5
‖	F.P.	18/1	93	80	Lifecare Intl. 6½% Cv.Cum.Red.Prf. 1999	80	
9.59199	£25	15/3	29⅞	24⅛	Lon. Shop Prop. 11⅝% 1st Mort. Deb. 2018	26	+¼
—	F.P.	—	100⅛	98¾	Nationwide Bldg. Soc. 10⅛% 13/12/85	99	+⅛
¶¶	F.P.	—	60p	58p	Simon Engn. 4% Cm. Rd. Prf. '84-96	58p	
¶¶	F.P.	—	64p	63p	Do. 5.4% Cm. Rd. Prf.	64p	
¶¶	F.P.	—	76p	76p	Do. 6.35% Cm. Rd. Prf. '91-95	76p	
¶¶	F.P.	—	88p	86p	Do. 7.75% Cm. Rd. Prf. '92-97	88p	
1.976	£20	27/3	24⅞	18½	Sweden 12% Ln. 2012	20¼	+⅛
¶¶	F.P.	—	122p	112p	✠Tech. for Bus. 7% Cum. Cv. Rd. Pf.	117p	
¶¶	F.P.	8/1	159	125	Tomkins (F. H.) 9¼% Cnv. Ln. '94	159	+2

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price	+or−
64	F.P.	8/2	73	69	Bairstow Eves 5p	73	+1
60	F.P.	15/2	122	105	Burgess Prods.	112	+2
485	Nil	8/2	170pm	135pm	Carlton Comms.	170pm	+10
85	F.P.	4/2	120	99	Carr's Milling	120	
60	F.P.	13/2	72	65	Dura Mill 9½p	70	
80	F.P.	1/2	120	93	LCP Hldgs.	115	+3
fr.18	Nil	—	1pm	½pm	✠Memory Computer 10p	½pm	
24	F.P.	13/2	26	24½	✠Morris (W.) Fine Arts 20p	25	
265	F.P.	8/2	310	285	Pilkington Bros. £1	295	
32	F.P.	—	36	32	✠Steaua Romana RUV	33	
17	Nil	—	8½pm	5pm	Walker (C. & W.) 15p	8½pm	+2½
250cts	Nil	—	70pm	60pm	Westpac $A1	70pm	+5

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1985. H Dividend and yield based on prospectus or other official estimates for 1984. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ▮ Allotment letters or fully-paid. ‖‖ Introduction. ✠ Unlisted Securities Market. § Placing price. † Figures assumed. †† Official London Listing. ‡‡ Dealt in under Rule 535(3). † Comprising 100 Prf. and one Ptg. share.

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STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ○ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

RULE 535 (3)

Dealings for approved companies engaged solely in mineral exploration

Fishermans Petroleum (£1) 63 ½

(By permission of the Stock Exchange Council)

LONDON TRADED OPTIONS

EUROPEAN OPTIONS EXCHANGE

APPOINTMENTS

Food group restructures

GOLDEN WONDER and HP FOODS are to have separate boards from February 1. Lea and Perrins, which for the past 45 years has been integrated within HP Foods, is to have its own company identity. The Lea and Perrins brand will be managed both in the UK and internationally via Lea and Perrins International. Mr David Wellings, chairman and chief executive of Golden Wonder and HP Foods, will retain that position in all three companies. Mr Howard Phillips, assistant managing director, Mr Ian Menzies-Gow seconded as operations director to Ross Foods/Youngs Seafoods from Golden Wonder HP Foods in 1983, returns as managing director of HP Foods. Mr Keith Eden, sales and marketing director of Golden Wonder and HP Foods, becomes managing director of Lea and Perrins International responsible to Mr David Wellings for the world-wide Lea and Perrins business with the exception of Lea and Perrins Inc in the U.S.

★

DELTA GROUP has appointed Dr Robert Easton as managing director of its resource services division. He was previously director of planning for the group.

★

HATTERSLEY HEATON, part of Pegler Hattersley, has appointed Mr Paul Edson marketing director. He was sales director at Lakers Mechanical Services.

★

Mr R. M. P. Shields and Mr S. M. Gray have been appointed directors of DAILY MAIL AND GENERAL TRUST.

★

Mr Charles Vickers has become financial and business planning director at SMITH KLINE ANIMAL HEALTH of Stevenage. He joined Smith Kline Animal Health in 1973 as financial manager, UK and Eire, becoming financial director in 1979.

★

Mr Martin F. Josey has been appointed marketing director of [illegible]. He was UK sales manager with Rockwell International's flow control division at Slough.

★

Mr David Arculus has been appointed group deputy chief executive of EAST MIDLANDS ALLIED PRESS. Mr Arculus, who joined EMAP as corporate planner in 1972, was appointed to the board in December 1981 and, until his new appointment, he was deputy chief executive/publishing and printing. Mr John B. Quin has been appointed group finance director of EMAP from February 1. He is group finance director of Hornby Hobbies, Margate.

★

Mr Edward (Ted) Smale has been appointed managing director of AECI (one of ICI's principal related companies) from April. He became a director of ICI South Africa in 1966 and joined the board of AECI in 1969.

★

Mr Roy Phillips, a director, has been appointed deputy managing director of AIR EUROPE.

★

Mr Clifford Welch, managing director and chief executive of LLOYD'S OF LONDON PRESS has been appointed deputy chairman. Mr Joe Parkinson, formerly deputy managing director, has been appointed managing director. Mr C. V. G. Davidge, a member of the Council of Lloyd's, has been appointed to the board.

★

LONDON PARK HOTELS has appointel Mr Alan Robinson as director of marketing and sales. He was director of sales and marketing for the Regent Palace Hotel.

★

Trafalgar House has appointed Mr John McCracken a director of SCOTT LITHGOW. He is resident director, Scotland and Northern England, IBM UK.

★

Mr John G. O'Neill has been appointed to the board of SILVERMINES. He is managing director of Godsell Astley and Pearce (Foreign Exchange), a London based currency broking [illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

INSURANCES

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INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

Midland Bank Tst Corp (Jersey) Ltd
28-34, Hill St, St Helier, Jersey. 0534 36281

MdBkOsGt	99 6	100.0xd	−0 6	12.00
MdBkIntFd	$1.05	1 08	...	7.41

Minerals Oils Res Shrs Fd Inc
PO Box 194, St Helier, Jersey. 0534 27441

MresJan17	$15.25	10.57	....	3.78

Samuel Montagu Ldn Agents
114, Old Broad St, EC2. 01-628 3434

MtAmE(z)	108 9	114.5	−0.2	5.00
MtJapInc(z)	74.1	77.9xd	−0 5	3 98
MtGlt(Inc(z)	47.9	50.1xd	−0.2	11 50
MtSgRJ16	$15.27	15.28	....	12.07
MtGold(z)	$0.53	0.526	...	—
ApJan3	SF108.95	18 24	....	1.18
JpJan9	HK$41.88	45.32	...	0 16
MtAmJa9	$17.79	19 14	...	1.35
MFRNFJ17	$10.29	10.31xd	....	—
USIFJ7	$11 27	11 65	...	—

Murray Johnstone (Inv Adviser)
163, Hope St, Glasgow, C2 041-221 5521

HopeStJ15	$66.86	71 61	.	—
MurFdJ17	$19 15	20 40	...	—
PacFdJan16	$4.08	4.36	.	—

NEL Britannia International Ass Ltd
Acorn Hs, Athol St, Douglas, IoM 0624 24934

Stling Dep	0.924	0 934	...	—
Stlng Man	0.926	0.896	+0 002	—
Gilt	0.926	0.9906	+0.012	—
UK Man	0.937	1.007	+0.003	—
Intnl Man	0.934	1.004	+0 004	—

Nat Westminster Jersey Fd Mgrs Ltd
23-25 Broad St, St Helier, Jersey. 0534 70041

HgInRd(a)(b)	53.8	56.0	...	10 71
EqyFd(a)(b)	106 2	113 0	....	1.98
IntBdFd(a)*	80.6	83.0xd	...	6 67

*Sub day every Thurs.

County Bank Currency Fund (z)

Dollar Class	$23 3306	+0.0047	—
Sterling Class	£11.5639	+0.0035	—
D-Mark Cl	DM53.8403	+0.0070	—
DutchGldrCl	DF153.7681	+0.0068	—
Jap Yen Cl	Y5.468.2458	+0.8560	—

Negit SA
10a Boulevard Royal Luxembourg.

NAV	$9 38	...	—

Newport International Management
Bank of Bermuda Bldg, Bermuda 809 295 4000

NptIntSec	$15 81	—	....	—
NptIntInc	$14 66	—	....	—
NptPacific	$21 85	—	.	—

Norcap Fund Managers (Bermuda) Ltd
Bank of Bermuda Bldg, Bermuda. 809 295 4000

NAV	$15.96	...	—

Normandy Trust Managers Ltd
23, Athol St, Douglas, IoM 0624 29696

Ndy Mt	£0.9363	9 346	.	—
Ndy Ct	£1 1484	1 2329	....	2 00
CrCGr	£0.6359	0.7310	.	2 00

Northgate Unit Tst Mngrs (Jersey) Ltd

Target Trust Mngrs (Jersey) Ltd
PO Box 194 St Helier, Jersey. 0534 72936

Man Cur Fd	106.9	112 7	. .	4.05

Tennant (Cayman) Managers Ltd and NATCO
PO Box 2189, Grand Cayman. 0101 (809) 9497436

Wstmstr-Cm	$7.66	8 08	.	—

Tokyo Pacific Holdings NV
Intimis Management Co NV Curacao.
NAV per share $133.71.

Tokyo Pacific Hldgs (Seaboard) NV
Intimis Management Co NV Curacao.
NAV per share $97.57.

Tyndall Bank (Isle of Man) Ltd
30 Athol St, Douglas, IoM. 0624 29201

StgMnyAcc	10.80	—		—
US$MnyAcc	7.250	—	....	—

Tyndall Managers
2 New St St Helier, Jersey 0534 37331/3

TOFEL	208.2	223.6	..	1 12
American	222.8	240.6	....	1.66
Far Eastern	283.4	303 4	.	0 33
European	120 8	129.4	.	0 76
Prtflo Man	111 6	120.1	....	—
Prtflo Amer	107 3	115 6		—
PrtfloStEst	116 2	124.4	....	—
PrtfloStEuro	113.3	101 3		—
Jersey Fd	177 0	193 4	.	4 70
Nn-JAcUts	433 4	473 4	..	—
Gilt Funds	113.4	115 4	.	10 45
(AccumShs)	305 0	311 4		—

Victory House Douglas, IoM. 0624 24111

HighIntGilt	103.4	111.6	.	—
(Acum Shs)	210 2	214.4	.	—

Tyndall International Assurance Ltd
Albert House, St Peter Port Guernsey. 0481 27066

Int Equity	471.3	496.2	.	—
Do $	5 265	5 545	.	—
PariflcEqty	145 8	154 5	.	—
Do $	1.640	1.730	.	—
NAmerEqty	99 4	105.1	. .	—
Do $	1 115	1 175		—
UK Equity	312.4	329.9	....	—
Do $	3.460	3 675	.	—
EuroEquity	1.261	132 8		—
Do $	1 405	1.480		—
IntlFxdInt	494.3	520 4	.	—
Do $	5.520	5 815		—
StlgFxdInt	250 4	263 7	.	—
Do $	3,000	3 170		—
$ Deposit	157 0	185.3		—
Do $	1.755	1 850	.	—
StgDeposit	158 4	156 6	.	—
Do $	1.770	1.855		—
Commodity	516 9	544 2		—
Do $	5 775	6 080	.	—
Gold	83 0	87 4		—
Do $	0 925	0 975		—
UK Prpty	193 3	205 5	.	—
Do $	2.180	2 295	.	—
Intl Manad	395 1	415 0	.	—
Do $	4 413	4 050	.	—

World Wide Growth Management
10a Boulevard Royal, Luxembourg.
Inv. Adv. M & G Inv. Mngt. Ltd. London.

WwdGthFd	$11.55	+0 08	—

Wren Commodity Management Ltd
10 St George St, Douglas, IoM. 0624 25015

Wren Cm Fd	12.7	13 2	.	3 10
Chinese Fd	58.8	61 2	. .	1.70
PacFetFd	71.4	61.2	.	8.50
VangCmdyFd	21.1	22.1	.	—

Yamaichi Dynamic Mngt Co SA
10a Boulevard Royal, Luxembourg.

Dynamic Gth Fd	$8.92	+0.09	—

Money Market Trust Funds

	Nom	Apr	Int Cr	Notice
The Money Market Trust				
63 Qn Victoria St EC4P 4ST. 01-236 0952				
Call Fund	11.41	11.77	6mth	Call
7-day Fund	9.47	9.72	6mth	Call
Oppenheimer Money Management Ltd				
66 Cannon St EC4N 6AE 01-236 1425				
Call Fund	11 52	11 85	6mth	Call
7-day Fund	9 98	10.22	6mth	Call
Mny Mg Acc	11 25	11.73	6mth	Call
Dollar	7.00	7 21	6mth	Call

Money Market Bank Accounts

	Nom	Apr	Int Cr	Notice
Aitken Hume				
30 City Road, EC1Y 2AY 01-638 6070				
Treasury Acc	11.25	11.46	Qtr	Call
MthIntChq	11.00	11.57	Mth	Call
Bank of Scotland				
38 Threadneedle St, EC2P 2EH. 01-628 8060				
Cheque Acc	11.25	11.85	Mth	Call
Barclays Prime Account				
PO Box 125, Northampton. 0604 252891				
HighIntChq	11.00	11.45	Qtr	Call
Britannia Grp of Investment Companies				
29 Finsbury Circ EC2M 5QL. 01-555 2777				
Cater Allen	11.25	11.85	Mth	Call
Charterhouse Japhet plc				
1 Paternoster Row, EC4M 7DH 01-248 3999				
Sterling	11.25	11 749	Mth	Call
U.S Dollar	8.00	8.300	Mth	Call
German Marks	5 0	5.116	Mth	Call
Swiss Francs	2.0	2 018	Mth	Call
Japanese Yen	5.0	5.116	Mth	Call
Co-operative Bank				
78-90 Cornhill, EC3. 01-626 6543 Ext 464				
Undr£1000	10.00	10.38	Qtr	Call
Over£1000	12.00	12.55	Qtr	Call
Dartington & Co Ltd				
Dartington, Totnes Devon TQ9 6JE. 0803 862271				
MnyMktAcc	11.50	11 97	Qtr	Call
Henderson/Bank of Scotland				
38 Threadneedle St EC2P 01-628 8060				
MyMthCqAc	11.25	11.85	Mth	Call
Lombard North Central plc				
17 Bruton St W1A 3DH 01-409 3434				
Notice Dep	11.50	10.25	Ret 14-day	
M & G Kleinwort Benson				
91-99 New London Rd, Chelmsford 0245 51651				
HighInChAc	11.25	11.91	Daily	Call
Midland Bank plc				
PO Box 2 Sheffield 0742 20999 Ext P738				
HighIntChq	11.30	11.76	Qtr	Call
Provincial Trust (formerly Choulartons)				
30 Ashley Rd, Altrincham, Cheshire WA1 2DW. 061-928 9011				
Cheque Acc	11.75	12.40	Mth	Call
Save & Prosper/Robert Fleming				
28 Western Rd, Romford, RM1 3LB. 0708 66966				
High Int Ac	10 79	11.43	Daily	Call
Premier Acc	10.79	11.40	Daily	Call
Tyndall & Co				
29 33 Princess Victoria St, Bristol BS8 4BX. 0272 732241				
Demand Acc	11.58	12.10	Qtr	Call
Money Acc	10.00	10.38	Qtr	Chq.7
J. Henry Schroder Wagg & Co Ltd				
Enterprise House, Portsmouth. 0705 827733				
Special Acc	11.40	12.01	Mth	Call
Ov£10000	11.65	12.29	Mth	Call

NOTES—Interest rates given both as a nominal rate and an annual percentage rate adjusted for frequency of interest credit.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U S dollars Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission y Offered prices include all expenses if bought through managers. z Previous day's price. † Guernsey gross. § Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ϕ Yield column shows annualised rates of NAV increase.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984-85 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
105	102¼	Treas. 15pc 1985	100	.....	14.97	12.51
102¼	99	Exch. 12pc Cnv. '85	99	....	12.01	12.24
97¼	93	Treas. 3pc 1985	97½	+¼	3.08	11.26
102	96	Treas. 11½pc 1985	100¼	+	11.49	11.26
99	95	Treas. 8¾pc Cnv '85	98	+¼	8.84	11.37
104	99	Exch. 12¼pc 1985	100	+½	12.18	11.43
103	99	Exch. 11¾pc '86	100	+¼	11.73	11.46
102	95	Treas. 10pc Cnv 1986	99	+	10.17	11.47
93¼	85	Treas 3pc 1986	93	+	3.22	8.43
102	95	Exch. 10½pc Cv '86	99	+	10.60	10.26
104	99	Treas 12pc 1986	100	+	11.90	11.27
98	93	Treas 8¼pc 1984-86‡‡	96	+¼	8.77	10.88
108	102	Exch. 14pc 1986	104½	+¼	13.45	11.31
89	85	Exch. 2½pc 1986	89½	+¼	2.81	4.06
107	100	Exch. 13¼pc 1987	105½xd	+	12.81	11.24
100	94	Treas 10¼pc Cv '87	98xd	+¼	10.41	11.14
87	83	Exch 2½pc 1987	86xd	+¼	2.89	9.73
101	94	Exch. 10½pc 1987	98	+¼	10.67	11.32
92¼	87	Funding 6½pc '85-87‡‡	90	+	7.15	11.10
99	93	Treas. 10pc 1987	97¼	+¼	10.28	11.32
86	81	Treas 3pc 1987	85	+	3.53	9.83
105	97	Treas. 12pc 1987	101	+	11.84	11.39
93	87	Treas 7¾pc 1985-88‡‡	91xd	+	8.43	10.87
100¼	92	Exch 10½pc '88	97	+¼	10.78	11.44
93	89	Treas 9½pc Cv '88	95	+¼	10.22	11.39
82	77	Transport 3pc '78-88	81	+¼	3.68	9.42
96	88	Treas. 9½pc '88	93¼	+	10.13	11.57
106¼	94	Treas 11½pc 1989	99xd	+¼	11.52	11.62
95	87	Treas 9½pc Cnv. '89	93½	+	10.17	11.49
99	92	Treas 10½pc 1989	96	+	10.87	11.52
100	89	Exch 10pc 1989	94xd	+½	10.56	11.49

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COM'WEALTH & AFRICAN LNS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

AMERICANS—Cont.

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BEERS, WINES—Cont.

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا أصل الأصل

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc

[illegible]

OIL AND GAS

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

MINES—Continued

Diamond and Platinum

[illegible]

Central African

[illegible]

Australians

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- ¶ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim; reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¶ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend; cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xl ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+/-	Stock	Price	+/-
Albany Inv 20p	80	......	Arnott	145	......
Craig & Rose £1	£11½	......	CPI Hldgs	54	......
Finlay Pkg. 5p	46	+2	Carroll Inds.	97	......
Higsons Brew	107	+4	Dublin Gas	65	......
Holt (Jos) 25p	850	......	Hall (R. & H.)	45	-1
IoM Stm. £1	125	-2	Heiton Hldgs.	15	......
IRISH			Irish Ropes	32	......
Exch. 12% 1985	£99	......	Jacob (W. & R.)	62	......
Nat. 9¾% 84/89	£83¾	-⅛	TMG	72	......
Fin. 13% 97/02	£89⅛	......	Unidare	78	......

OPTIONS — 3-month call rates

Industrials	p		p		p
Allied-Lyons	15	Hanson Tst.	22	Vickers	18
BAT	38	Hawker Sidd	33		
BOC Grp	24	Hse of Fraser	25	Property	
BSR	15	ICI	57	Brit Land	14
Babcock	13	'Imps'	14	Cap Counties	18
Barclays Bank	42	Jaguar	19	Land Secs	24
Beecham	30	Ladbroke	23	MEPC	30
Blue Circle	46	Legal & Gen	52	Peachey	24
Boots	18	Lex Service	37	Samuel Props	14
Bowaters	16	Lloyds Bank	52	Sterling Guar.	5¼
Brit Aerospace	34	Lucas Inds	34		
Brit. Telecom	7½	Marks & Spcr	10	Oils	
Brown (J.)	3	Midland Bk	33	Brit. Oil & Min	4½
Burton Ord	32	NEI	9	Brit Petroleum	58
Cadburys	14	Nat West Bk	54	Burmah Oil	19
Comm Union	15	P & O Dfd	24	Charterhall	6
Courtaulds	11	Plessey	20	Premier	6
Debenhams	19	Polly Peck	25	Shell	55
Distillers	24	Racal Elect	24	Tricentrol	22
Dunlop	5	RHM	10	Ultramar	22
FNFC	7	Rank Org Ord	24		
Gen Accident	42	Reed Intnl	50	Mines	
Gen Electric	20	Sears	7	Charter Cons	21
Glaxo	90	TI	18	Cons Gold	42
Grand Met	26	Tesco	8	Lonrho	14
GUS 'A'	55	Thorn EMI	42	Rio T Zinc	60
Guardian	58	Trust Houses	12		
GKN	16	Turner Newall	9		
		Unilever	80		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 22

FINANCIAL TIMES

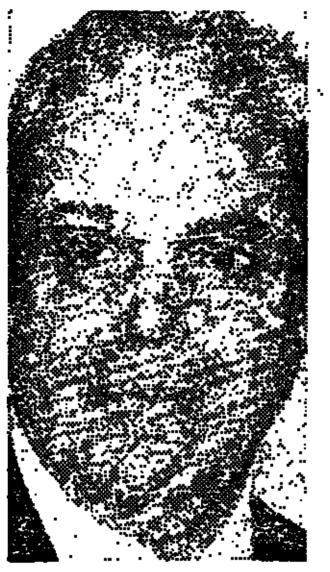
Saturday January 19 1985

MAN IN THE NEWS

Playing patience at the UN

By Our U.N. Correspondent

IF THE CYPRUS summit at the United Nations this week ends in agreement between the Greek and Turkish Cypriot leaders on a federal system to reunite the island, much of the credit must go to the patient, quiet diplomacy of Secretary-General Javier Perez de Cuellar, under whose auspices they began their meetings on Thursday. He has been in his UN post just three years and many feel that he needs a success. This could be it, if progress achieved in preliminary talks is maintained in these first face-to-face exchanges between the two sides in almost six years.



Sr Perez de Cuellar

It would be a pleasing birthday present for Sr Perez de Cuellar if the basis for an accord were reached this weekend. He is 65 years old today. An agreement would be a fillip for another peace mission. He is going to South East Asia to try to ease tensions affecting Thailand, Kampuchea and Vietnam.

Sr Perez de Cuellar is due in London tomorrow on his way to Bangkok and will see Mrs Thatcher and Sir Geoffrey Howe on Wednesday, after having travelled to Scotland to deliver the Montague Burton lecture on international affairs at the University of Edinburgh. Cyprus and the Middle East are expected to dominate his London meetings.

The Secretary-General would dearly like to be able to resume his Falklands good offices mission, as Argentina wishes. But Britain opposes this, while recognising that he performed a valuable diplomatic service for both sides during the 1982 war.

If he has what might be called a favourite problem it is perhaps Cyprus rather than the Falklands. Having presided, as chief delegate of Peru, at the UN Security Council meeting in July 1974 that followed Turkey's invasion of the Island, he became Secretary-General Kurt Waldheim's special representative in Nicosia for two years.

He never campaigned for his present post. It was thrust upon him only after China repeatedly vetoed Dr Waldheim's moves to gain an unprecedented third term, saying that it was time the UN had a Third World representative at the helm.

In fact, Sr Perez de Cuellar is in many respects less Third World inclined than Dr Waldheim was. Admirers of his diplomatic style already compare him to Dag Hammarskjoeld, the second Secretary-General (1953-61), an extraordinarily innovate and skilful negotiator. He seems also to share some of Hammarskjoeld's philosophy, and recently told an interviewer: "To do this job one must heed Albert Camus's advice—acting if you absolutely believe that justice, happiness, peace will prevail even when you are plagued by doubts."

Sr Perez de Cuellar prides himself on what might be termed his cool ("I am a very calm person"). Unlike the often testy Waldheim, he seldom raises his voice or rebukes a subordinate.

Also, he is no workaholic. As often as he can he returns to his Manhattan townhouse for long lunches with his elegant wife Marcella.

He got into diplomacy almost by accident, through a part-time job as a clerk in the Peruvian foreign ministry. In 1946, he was a delegate to the first UN General Assembly in London.

A fine linguist, well-read in several languages, Sr Perez de Cuellar delivers most of his major speeches in English. "He's also something of an Anglophile," one aide remarked.

Investors are force fed on chicken supreme

BY CHRIS SHERWELL IN SINGAPORE

ONE OF the most extraordinary extraordinary general meetings ever held in Singapore yesterday saw the flamboyant Malaysian multi-millionaire who last year tried unsuccessfully to corner the palm oil futures market throw out the managing director of his main money-spinner, the ailing Kentucky Fried Chicken fast-food business.

That he had the clout to do such a thing was no surprise. *Loo Cheng Ghee, the chairman* and owner of Colonel Sanders' chicken franchises in Singapore and Malaysia, had a clear majority of shares at his disposal, and simply wanted to confirm the sacking he first ordered a month ago.

But this was a shareholders' meeting with a difference. Those attending were given the lyrics of Impossible Dream, Mr Loo's favourite song, locked into the room and, while their pictures were incessantly snapped by many photographers, treated to an astonishing one-man show with props which included several alarm clocks (to show the importance of time), Bowie knives (of the double-edged variety) and a waste-paper basket (for threatening letters).

The meeting lasted two hours, and Mr Loo responded to attempts to ask questions handed campaign to reverse the Kuala Lumpur palm oil by saying that he called the shots. Known locally as the Lone Ranger since his single-futures market last year, he treated everyone to a lecture on cooking chicken in the oil.

The fate of Mr Masamichi Yazawa, the unfortunate managing director, was sealed when he received a memo last month saying his position was terminated "with immediate effect." It was a shock, because Mr Yazawa had helped build up the business and take it public in 1983. Even now no one knows the reason for his dramatic removal.

One problem has been the fierce competition in Singapore's tricky fast food market. *The company's 1984 results,* published a few days ago, showed a 69 per cent fall in after-tax profit to a mere S$840,000 (£340,000), the level before it went public and a sharp contrast to the S$2.93m made in 1983.

Ahead of yesterday's meeting, Mr Yazawa defended his record to shareholders, saying disagreements over commercial and company policies could not justify "arbitrary and oppressive conduct." The company, he added, could not afford the chairman's "high-handed and dominating style."

Mr Loo caught the public imagination when he made his foray into palm oil futures trading. Believing that speculators had inflated the fast-rising palm oil price in late 1983 and early 1984, he gambled that it would fall *and sold palm oil for future* delivery in the hope of making a profit. The plan failed when his brokers defaulted, and the exchange, which temporarily suspended trading, suffered near-fatal damage to its reputation. Mr Loo has always insisted he was cheated in his efforts to teach speculators a lesson.

Inflation rate down to 4.6%

BY PHILIP STEPHENS

THE ANNUAL inflation rate fell to 4.6 per cent last month, from 4.9 per cent in November, as lower mortgage costs and cheaper seasonal foods brought a decline in the retail price index.

The Department of Employment said yesterday that the index fell by 0.1 per cent in December, largely reflecting the cut in building society interest rates.

Mr Tom King, the Employment Secretary, said the figures showed that the Government's target for lower inflation had "effectively been achieved," in spite of a sharp rise in interest rates earlier in the year.

In the 1984 Budget the Government forecast an inflation rate of about 4.5 per cent for the fourth quarter. The actual outturn was 4.8 per cent.

The Treasury now expects the rate to edge down to about 4.5 per cent by the end of this year, although its forecast was made before sterling's latest slide on foreign exchange markets and the prospect of another rise in mortgage rates.

The building societies will increase charges between ¾ and 1¼ percentage points from February, which will add at least 0.3 per cent to the retail price index.

The recent cold weather may reverse the trend of falling seasonal food prices as some vegetables become scarce.

Mr John Prescott, Labour's employment spokesman, said that the "collapse of the pound and leap in interest rates" pointed to a significant rise in inflation over coming months.

The retail price index stood at 358.5 in December against 358.8 in November (January 1974=100). The tax and price index, which measures effect of price rises on post-tax income, rose by 3.3 per cent in the year to December to stand at 183.9 (January 1978=100).

Gestetner in move to extend share votes

By Stefan Wagstyl

THE GESTETNER family, which has run the Gestetner copier company since its foundation, is to relinquish outright control in a move that ends years of criticism about the restrictive voting structure.

The company is to enfranchise the vast majority of shareholders who have no vote and the Gestetner family will see its stake fall from over 50 per cent of the voting equity to 33 per cent.

The non-voting "A" shares leapt 28p to 105p on yesterday's announcement and news of increased profits.

The voting shares, eligible for a one-for-four bonus issue, rose 30p to 140p. Gestetner's stock market value jumped from under £Q49m to over £65m.

The move to extend the vote from 2.2m shares to the other 60m shares comes after City criticism which grew as the company's trading perofrmance deteriorated from its hey-day in the mid-1970s.

"I've been battling for this for years," said Mr Richard Harwood, a partner in stockbroker Scott Goff Layton.

Mr David Gestetner, joint chairman with his brother Jonathan, said there had been no specific pressure applied from outside the company. "But there was an overwhelming chorus of advice."

Mr Gestetner, whose grandfather founded the company in 1922, said the enfranchisement had not bee proposed earlier because of the danger of predators. He felt the risk of takeover had receded because the company's recovery, following losses in 1982, was sufficiently well advanced.

Pre-tax profits were up 20 per cent to £8.25m, on turnover nearly 7 per cent higher at £367m for the year to November 3. Extraordinary charges were £7.9m—the result of heavy rationalisatoin in recent years as sales of Gestetner's traditional product, stencil duplicators, had fallen and the company had sought alternative products.

Details, Page 18

Pleasurama bids for Trident TV

BY ALEXANDER NICOLL

PLEASURAMA, owner of Maxims, a London casino, and 17 provincial casinos, yesterday launched a £119m agreed bid for Trident Television, which operates four London casinos including the Clermont and the Victoria.

The bid was Pleasurama's second attempt to increase its London presence by buying Trident. In 1983 a £56m agreed offer was blocked by the Monopolies and Mergers Commission because Grand Metropolitan, Britain's biggest casino operator, owned 29.9 per cent of Pleasurama.

That stake has been sold, and the Trade and Industry Department ruled last June that Pleasurama's acquisition of Trident would be barred no longer.

New licences being difficult to obtain, the purchase would make Pleasurama the second-largest casino operator in London after Grand Metropolitan. Martin, Pleasurama managing director, said yesterday: "The trned in London casinos has been steeply upward and business is very buoyant now."

Trident is almost entirely a gaming group after selling Yorkshire Television, most of Tyne Tees Television, and other peripheral interests including Windsor Safari Park.

Pleasurama would probably also dispose of Trident's remaining television studios and its 18.7 per cent stake in Tyne Tees.

Trident's directors, headed by Lord Hanson, are recommending the bid because, Mr David Hudd, managing director, said, Pleasurama was offering tomorrow's price today.

Pleasurama is offering convertible preference shares and cash for Trident's voting and non-voting equity, with cash alternatives of 241.5p and 230p respectively.

The non-voting shares rose 32p to 241p yesterday, compared with the 237.5p value which Pleasurama put on its shares and cash offer. The voting shares are not quoted on the Stock Exchange.

Pleasurama shares fell 4p to 388p, though City analysts took a positive view of the deal. Pleasurama is being advised by County Bank, Trident by Kleinwort Benson.

Background, Page 18

Finance ministers

Continued from Page 1

that a joint attack be mounted on the rising dollar.

Although Thursday's agreement does not represent an explicit change in policy, its emphasis by the five is said to suggest a renewed willingness to consider concerted heavy intervention against speculators.

British officials in Washington said: "This is a clear indication of a readiness on the part of all of us to take action. Not only is it made clear that we are now much closer to those circumstances [when co-ordinated intervention should occur] but also we have reached a complete understanding between all the members of the Group of Five, and intervention, when it occurs, is likely to be of a concerted nature."

In Continental Europe, however, there was still scepticism yesterday, among senior monetary officials and in the markets, as to whether Mr Donald Regan, the U.S. Treasury Secretary, would be prepared to put his country's money behind the agreement when the next practical plan is put to him.

Officials, however, are pointing to the continued surge of the dollar to record heights as a factor which might be taken into account.

Many officials continue to believe that the dollar will sooner or later be toppled by the imbalance of the growing U.S. trade deficit. They hope the additional threat of intervention will make the markets more cautious in marking up the dollar.

None of the five, however, believes that intervention could turn back a determined tide in the foreign exchanges.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Exch. 10½pc 1988	£97 7/16	+ 3/8
Treas. 14pc 1998-01	£118 5/8	+ 1/2
Aspinall	128	+ 18
Assoc. Brit. Foods	214	+ 10
Assoc. Newspapers	650	+ 37
BTR	686	+ 69
Bejam	170	+ 12
Burton	468	+ 10
Davy Corp.	94	+ 8
Distillers	311	+ 7
Distillers	311	+ 7
Dunlop	36	+ 5
Geers Gross	165	+ 16
Gestetner A	105	+ 28
Hanson Trust	344	+ 11
Hawker Siddeley	445	+ 16
Jaguar	297	+ 9
Milford Docks	55	+ 5
P & O Defd	413	+ 13
Racal Elects.	288	+ 12
Renishaw	376	+ 18
Royal Bk Scotland	246	+ 18
Samuelson	755	+ 105
Smith Bros	116	+ 8
Smith (W. H.) A	204	+ 18
TACE	425	+ 18
Thorn EMI	453	+ 13
Trident TV A	241	+ 32
W.W. Group	220	+ 57

FALLS

MFI Furniture	234	− 12
SGB	162	− 8

WORLDWIDE WEATHER

UK today: Cloudy, light snow. Moderate snow in SW later. Very cold. Outlook: Snow spreading from SW.

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	R	10	50	Dallas		—	—	Madrid		—	—	Perth	C	24	75
Algiers	F	17	63	Dublin	Sn	1	34	Majorca		—	—	Prague	S	−3	27
Amsdm.	S	−9	16	Dbrvnk.	F	9	48	Malaga		—	—	Reykjvk.	S	0	32
Athens	F	8	46	Ednbgh.	F	3	37	Malta	S	13	55	Rhodes	F	16	61
Bahrain	S	20	68	Faro	S	15	59	M'chstr.	C	2	36	Rio J'o		—	—
Barclna.		—	—	Florence	C	3	37	Melbne.	F	18	64	Rome	R	6	43
Beirut	C	16	61	Frankft.	C	−5	23	Mx. C.		—	—	Salzbrg.	S	−5	23
Belgrd.	C	−5	23	Geneva	C	−1	30	Miami†	S	21	70	S F'cisco†	Fg	7	45
Berlin	C	−4	25	Gibraltar	C	14	57	Milan	Fg	0	32	Singapr.	F	31	88
Biarritz	R	8	46	Glasgow	F	3	37	Montrl.†	Sn	−17	1	S'tiago		—	—
Bmghm.	C	0	32	G'nsey	Sn	2	36	Moscow	Sn	−4	25	Stckhm.	F	−1	30
Blackpl.	C	2	36	Helsinki	C	−1	30	Munich	S	−8	18	Strasbg.	C	−6	21
Bombay	S	31	88	H. Kong	C	19	66	Nairobi	S	27	81	Sydney	F	22	72
Bordx.	R	5	41	Innsbrk.	S	3	37	Naples	C	11	52	Tangier		—	—
Boulon.	Fg	−5	23	Invrnss.	C	3	37	Nassau		—	—	Tel Aviv	C	16	61
Bristol	Sn	0	32	Istanbul	C	8	46	Nwcstl.	C	3	37	Tenerife		—	—
Brussels	C	−6	21	Jersey	C	0	32	N Delhi	S	16	61	Tokyo	S	5	41
Budpst.	S	−6	21	Jo'burg	F	24	75	N York†	F	−2	28	Toronto†	F	−6	21
Cairo	C	17	63	L. Plms.	F	19	66	Nice	C	6	43	Tunis		—	—
Cardiff.	Sn	−1	30	Lisbon	F	12	54	Nicosia	C	15	59	Valencia		—	—
Cape T.	F	22	72	Locarno	C	2	36	Oporto	S	11	52	Venice	C	0	32
Chicago		—	—	London	C	2	36	Oslo	C	−3	27	Vienna	C	−5	23
Cologne	F	−4	25	L. Ang.†	F	9	48	Paris	C	0	32	Warsaw	S	−10	14
Cpnhg.n		—	—	Luxmbg.	C	−5	23	Peking	C	−4	25	Zurich	Fg	−7	19
Corfu	F	10	50	Madeira	S	10	50								

C—Cloudy. D—Drizzle. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

Dunlop

Continued from Page 1

Dunlop would help broaden BTR's business base.

A condition of the BTR bid is that Dunlop's 53 banks agree to maintain the £320m loan facility offered under the refinancing package and take up £100m of BTR redeemable preference shares.

Dunlop began rallying support from its shareholders yesterday and hurriedly called a meeting with its previously hostile shareholders' association, which has the backing of nearly 3 per cent of the equity.

In Kuala Lumpur, Pegi, Dunlop's largest shareholder with 26 per cent, described the BTR offer as too low. Samuel Montagu, Pegi's merchant bank, said it doubted if BTR would use its preference shares to overrule the wishes of the ordinary shareholders.

BTR backed yesterday's bid with an estimate that its profits had risen at least 53 per cent to £270m last year and promised a final dividend per share of at least 6.25p, taking the total to at least 12p—a rise of 41 per cent.

BTR's ambitious series of takeovers during the late 1970s and early 1980s was capped in 1983 with a £637m takeover of Thomas Tilling, another industrial conglomerate. Yesterday's offer for Dunlop was its first bid move for 18 months.

BTR, with a market capitalisation of £3.64bn is among the top 12 UK companies in Stock Market terms. Dunlop has a market value of £52m.

Nationwide

Continued from Page 1

the most expensive, charging a basic 12 per cent and operating a different structure which increases by 0.25 percentage points in each band. It will announce its new rates next week.

Abbey, which said earlier this week that societies should wait until international currency markets settled down before deciding any increase in rates, said yesterday that it still held this view. It is understood to have abstained in the voting for an immediate increase during the association meeting.

Mr John Bayliss, general manager, said yesterday that it would be increasing its rates so that "our investors will not be disadvantaged."

Societies have enjoyed a strong inflow of funds both last month and in the early weeks of this month and are highly liquid at a time when mortgage demand is slack.

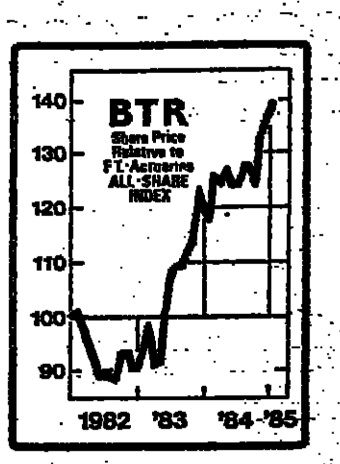
Mr Herbert Walden, chairman of the association, pointed out yesterday, however, that the recent rise in market interest rates would "jeopardise this very quickly unless societies relate their rate to market conditions."

THE LEX COLUMN

BTR turns to Greenmail

The FT 30-share index approached its 1,000-point barrier with barely a wobble *yesterday—helped along* by a 10 per cent rise in BTR's shares—and in late afternoon trading the sonic boom shattered no windows. Amid the euphoria, analysts were heard to murmur that investors were making hay while the clouds gathered. Higher base rates could yet arrive.

Index up 17.2 to 1004.4



BTR/Dunlop

There is nothing too surprising in itself about the idea of BTR launching a bid for Dunlop; during the agonising months when the Dunlop reconstruction was being pieced together an offer from BTR might even have seemed like the easiest way out for Dunlop's creditor banks. But the way that BTR has actually made its approach—demanding that the rescue plans be torn up as a condition of its offer—threatens to set off as bitter a takeover battle as the City has seen for a long time.

The main reason for this is BTR's cunning selection of an extremely effective weapon, which Dunlop's shareholders and bankers simply cannot afford to ignore. Thanks to its purchase of more than a quarter of Dunlop's preference shares, BTR is actually in a position to block the reconstruction scheme when it is put to the vote next month. If that were to happen, there would appear to be nothing for Dunlop except a choice between BTR and receivership, barring a last minute intervention by some other party.

In the end, that ought to mean that BTR will win: everyone else has too much to lose. But the possession of an infernal weapon does not necessarily confer a monopoly of terror. Although BTR is theoretically able to pull the plug on Dunlop, it cannot do so without facing potentially heavy costs—jeopardising its friendly relations with the bankers, and risking a weight of moral outrage around the City.

So there is a corner for the Dunlop board to fight. But however strenly they resist, it seems likely that the argument will eventually reduce to haggling over the correct price for an agreed settlement. If the market is anything to go by, that could be rather more than the 20p per share that BTR has so far offered. Even before the bid was tabled, Dunlop's unreconstructed shares were trading at more than 30p—against the rights price of 14p—and yesterday they were driven up to 35p. At that level, Dunlop is capitalised at around £50m, a valuation which at the very least anticipates a storybook outcome to the reconstruction.

There is no doubt that if BTR were to pick up Dunlop for just over £30m—with its newly-agreed banking facilities still intact—it would be an extraordinary coup. To add over £1bn of turnover at the price of enlarging BTR's issued capital by a mere 1 per cent could be the most highly-geared investment BTR ever made, if the Dunlop businesses make half the margins that BTR normally achieves, those profits would still have been very cheaply bought.

Yet the risks of such a deal show up in the likely shape of BTR's balance sheet. Its own capital gearing would not be all that short of the 100 per cent levels expected for Dunlop post-reconstruction. The difference, of course, is that BTR's cash generating power would cover the interest bill without anyone losing a moment's sleep. If Dunlop's tax losses can be used effectively by BTR the sums become less worrying still but on that argument BTR would be justified in paying more.

Pleasurama/Trident

Pleasurama's acquisition of Trident TV would leave it with a straight flush of five potentially highly profitable London casios to add to its already strong hand of provincial gambling and leisure interests. The stakes, though, have doubled since Pleasurama's 1983 bid for Trident was blocked by the Monopolies Commission.

This partly reflects Trident's success in cleaning up its own operation and selling off many of its non-casino businesses. The fit no weeems more logicat. Trident's four London casinos have been earning less than Pleasurama's one, and the bidder feels it has an odds-on chance of using its own long experience in casino management to improve their profits.

The offer values Trident at a prospective p/e of around 12; maybe a little high for its sector, but then its licences are very valuable to Pleasurama. The yield on the convertible stock on offer to Trident shareholders is double that on the buyer's shares, which should please institutions worried about the opportunity cost of buying equities when interest rates are so high.

The combinde group, if the deal went through, would have a debt to equity ratio of close to 100 per cent, though revaluation of Trident's assets would bring that down to around 60 per cent. For an industry in which cash comes straight across the table, this is not disastrous. But the odd £20m from Grand Metropolitan for the two companies' stakes in its Ritz and Casanova casinos would probably not go amiss.

Gestetner

For years the City has tried to persuade the Gestetner family to loosen its grip on its heirloom. The issue has taken so long to resolve that the once-wealthy estate has been in sore need of renovation and repairs.

The point is not that the enfranchisement now being proposed for 95 per cent or so of the equity which has no vote would necessarily have made any difference to the management of the company if it had come earlier: as a matetr of principle all shareholders should have an equal chance to influence the company.

Gestetner still has tried hard to find profitable new activities to take over from the manufacture of stencil duplicators. Maybe the influence of outside shareholders will help the company back from last year's £8.25m pre-tax towards 1977's peak of £29.8m. If not, those majority shareholders will at last have the ultimate solution in their own hands.

SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Monday January 21 1985

INTERNATIONAL BONDS

Buoyant demand boosts floating rate notes

BY MAGGIE URRY IN LONDON

THE BRIGHTEST spot in the Eurobond market last week was among Eurodollar floating rate notes – a sector enjoying that happy state where demand exceeds the supply of new paper. As usual syndicate managers do not expect it to last long, but it is nice while it does. Two issues last week – for First Chicago and Korea Development Bank – were increased.

The main reason for the market's firmness is the growth in demand for paper from investors mainly banks and particularly the Japanese. More and more borrowers are pre-paying syndicated loans and banks top up their assets by buying FRNs instead. That in turn brings down the cost to borrowers of servicing FRN debt, encouraging them to pre-pay loans, leaving banks short of assests.

On Friday Ireland launched a 12-year $300m FRN paying a margin over London interbank offered rate (Libor) of only ⅛ per cent, with slim front end fees of 24 basis points. The money will be used to pre-pay loans on which Ireland was paying interest at ½ per cent over Libor, which had a final maturity in 1989. As well as the interest saving, Ireland is pushing the repayment date to 1997 there are no put options for investors.

Two French borrowers took the further step of calling FRN issues. Caisse Centrale de Cooperation Economique (CCCE) is calling a $100m FRN which pays interest at a margin over the mean rate between

EUROBOND TURNOVER (nominal value in $m)	Cedel	Euroclear
U.S.$ bonds		
Last week	10,277.3	27,817.4
Previous week	5,992.9	7,037.0
Other bonds		
Last week	2,192.0	1,838.0
Previous week	2,065.1	1,017.7

Libid and Libor of ⅛ per cent, and launched a new issue for $200m paying ⅛ per cent over Limean.

Banque National de Paris announced that it will call a $125m issue made in 1979 and due to mature in 1991, on which the interest rate was ⅛ per cent over Limean.

Investors must get used to the idea that FRN on which the interest margin is 3/16 or ⅛ per cent over Libor are likely to be called. And that the reference rate will more often be Limean or even Libid rather than Libor. Eurodollar FRN issue volume doubled between 1983 and 1984 to $28.5bn, according to Merrill Lynch's preliminary figures, exceeding fixed rate issue volume for the first time. It could well rise again in 1985.

The trend towards narrower spreads may not go on for ever though. One reason could be a tougher attitude by the likes of the Federal Reserve or the Japanese Ministry of Finance over bank holdings of FRNs, following the Bank of England's guidelines on the subject.

The fixed rate Eurodollar market did not have quite the weight of paper to contend with last week as it had the week before, and it had more help from the New York bond market. But some issues are still trading outside their total fees, while others are holding up only thanks to support from lead managers.

The hitherto insatiable, and inscrutable, demand for Japanese borrowers' issues seems to be on the wane at last, but now those borrowers look set to attack other currency sectors. A jumbo issue in the Canadian dollar market is expected today from Marubeni.

That sector is suffering enough from an excess of new issues in any case. The Canadian domestic market has been firm, but there is a shortage of buyers in the Eurobond market, and new issues are coming on yields below Canadian government bonds.

The Euroyen market is also in a bad state. One syndicate manager thinks he has figured out why. "There are no buyers for these issues," he says, only half in jest.

The size of the new issue calendar in Germany came as something of a shock on Friday at DM 2.425bn over the next four weeks. A preponderance of sovereign and supranational borrowers will help the bonds to sell, but traders were only just recovering from the fears of higher interest rates calmed by the Bundesbank on Thursday.

BHF Bank bond average		
Jan 18		Previous
102.596		102.414
High	1984/85	Low
103.042		98.056

The first issue on the calendar, for Austria, was priced at par with a 7 per cent coupon and seven year life, terms that looked tight. If other borrowers follow that lead, the market is in for a rough ride. Only a sharply lower dollar can bale it out.

The Swiss franc foreign bond market has been under a cloud too, with secondary market prices down about ¼ point last week. Primary market activity has been high, and issues have been fairly well received. On Friday Kredietbank (Suisse) cut the coupon on the KLM perpetual bond from 6¼ per cent to 6⅛ per cent.

Even the normally irrepressible European Currency Unit bond market suffered a reverse last week, with prices down by as much as a point.

D-MARK NEW ISSUE CALENDAR

Date	Borrower	Amount DM (m)	Lead Manager
Jan 18	Austria	300	Deutsche Bank
Jan 21	National Bank of Hungary	100	Commerzbank
Jan 21	Sweden	500	Dresdner Bank
Jan 22	World Bank	500	Deutsche Bank
Feb 4	European Investment Bank	300	Deutsche Bank
Feb 6	Province of Quebec	200	Commerzbank
Feb 11	Spain	200	Dresdner Bank
Feb 12	S.African Local Auth.*	75	Bayerische Vereinsbank
Feb 13	Inter-American Dev. Bank	250	Deutsche Bank

*Private placement. Next committee meeting February 13.

Turkey tries to sweeten the bait

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

THIS WILL be a testing week for Turkey as it awaits the response of international banks to changes in the terms of the $500m loan facility it is seeking under the leadership of Citicorp.

The changes, designed to increase the willingness of banks to underwrite the facility, include a cut to $20m from $30m in individual commitments sought, an increase in the participation fee to ¾ per cent from ⅝ per cent and the scrapping of the multi-currency clause.

Citicorp, which formally notified potential lead managers of the new terms late last week, hopes they will lead to a quick revival of flagging interest in the deal, which would allow Turkey to raise funds by calling for short-term advances from the market.

The facility has attracted widespread interest and some criticism in the market because its structure is of a type normally reserved for much better-rated credit risks.

Elsewhere, Algeria surprised bankers last week by announcing plans to sign its $500m credit this Thursday. The deal has attracted about $80m in syndication, but bankers believe the total could have been higher

NEW INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Lead Manager	Offer yield %
U.S. DOLLARS							
Tokyu Corp. ¶‡	40	1990	5	8¼	100	Yamaichi Int. (Eur)	8.250
Yamato Kogyo ¶‡	30	1990	5	8⅛	100	Daiwa Europe	8.125
Osaka Transformer ¶‡	20	1990	5	8⅛	100	Nomura Int.	8.125
Mitsubishi Corp. ‡	200	1995	10	10⅝	100	Merrill Lynch	10.625
Sumitomo Fin. ‡	150	1992	7	11¾	100	Sumitomo Fin.	11.750
Sweden ††‡	200	2010	25	12	99.604	Salomon Bros.	12.051
L. M. Ericsson ‡	100	1988	3	10⅝	100⅛	Citicorp Int. Bank	10.324
Mitsubishi Corp. ‡	100	1992	7	10½	100	Yamaichi Int. (Eur)	10.500
World Bank † ††‡	150	1990	5	(d)	99⅞	Salomon Bros.	–
Postipankki ‡	75	1990	5	11⅛	100	Bankers Trust	11.125
Wells Fargo (b) †‡	150	1997	12	⅛	100	Morgan Stanley	–
Thyssen-Bornemisza ‡	50	1990	5	10⅞	100	Morgan Guaranty	10.875
First Chicago (e) †‡	200	1997	12	3/16	100	Salomon Bros.	–
Korea Dev. Bank (f) †‡	100	2000	15	⅜	100	Mgn. Guaranty (H. Kong)	–
CCCE (g) †‡	200	2005	20	⅛	100	Merrill Lynch	–
BP ‡	150	1992	7	11⅛	100	S. G. Warburg	11.125
C. Itoh ‡	100	1992	7	10¾	100	Yamaichi Int. (Eur)	10.750
Yamaichi Int. ‡	100	1991	6.8	11⅜	100	Yamaichi Int. (Eur)	11.375
Ireland (i) †‡	300	1997	12	⅛	100	BoA Int.	–
Elf Aquitaine ‡	100	1989	4	10¾	100	Hambros	10.750
CANADIAN DOLLARS							
World Bank** †‡	100	2084	99	(c)	100	Dominion Secs. Pitfield	–
IC Industries ‡	50	1995	10	12⅛	100½	Orion Royal Bank	12.036
City of Vancouver ‡	40	1995	10	11¾	100	CCF	11.750
Gaz de France Φ‡	75	1995	10	11¾	100¼	Societe Generale	11.706
D-MARKS							
Thyssen Caribbean** ‡	150	1993	8	7½	100	Dresdner Bank	7.500
ITT Corp.** ‡	100	1990	5	7	100	Deutsche Bank	7.000
Genbel Finance ‡	100	1991	6	8	99½	Dresdner Bank	8.109
Public Power Corp. ‡	150	1993	8	7¾	99¾	Dresdner Bank	7.793
Kobe Steel ¶	200	1990	5	(3½)	(100)	Dresdner Bank	*
Austria ‡	300	1992	7	7	100	Deutsche Bank	7.000
MEPC ‡	100	1992	7	7½	99½	WestLB	7.595

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Lead Manager	Offer yield %
SWISS FRANCS							
Mitsubishi Rayon** §‡	150	1990	–	1¾	100	UBS	1.750
Sharp Cor.** §‡	200	1990	–	1¾	100	Credit Suisse	1.750
Topy Industries** ¶‡	40	1990	–	3⅝	100	Swiss Volksbank	3.625
Tohoku Elec. Power ‡	150	1993	–	5½	99¾	UBS	5.540
Sharp Corp. §‡	150	1993	–	1⅞	100	Credit Suisse	1.875
Sweden** ‡	94.8	1986	–	4⅝	99¾	Tender Sale	5.046
Koa Denko** §	30	1990	–	(2⅛)	100	Credit Suisse	*
KLM (h) ‡	200	–	–	6⅛	100	Kredietbank (Suisse)	6.125
Toyo Info. Systems** (a) †‡	30	1992	–	3/16	100	Citicorp Bank (Switz)	–
IADB ‡	150	1995	–	5¾	100	SBC	5.750
World Bank** ‡	300	1991	–	5½	99¾	UBS	5.550
Nakayama Steel Wks** ¶	50	1990	–	(3¾)	*	UBS	*
Nat. Patent Dev. Cor. §	30 min.	1995	–	(6)	*	Bqe Gutzwiller, K. B.	*
S. Af. Posts & Tel.** ‡	100	1991	–	6⅛	100	SBC	6.125
Nakanishi Metal Works** ‡	10	1990	–	5¾	100	Banca del Gottardo	5.750
Arakawa Chemical** ‡	10	1990	–	5¾	100	Wirtschafts- und Prbk	5.750
Chujitsuya Co.** ¶	40	1990	–	(3¾)	100	Wirtschafts- und Prbk	*
Yuken Kogyo Co.** ¶	20	1990	–	(3¾)	*	Banca della Sviz. Ital.	*
Small Business Fin. Crp	100	1993	–	(5⅜)	*	Credit Suisse	*
ECUs							
B. Naz. Agricoltura	50	1992	7	10	*	Mitsubishi Fin.	*
KB-IFIMA ‡	75	1992	7	9⅜	100	Kredietbank Int.	9.375
Mitsui CSK Lines ‡	50	1990	5	9⅝	100	Kredietbank Int.	9.625
LUXEMBOURG FRANCS							
S.E.K.	250	1990	5	(10)	*	Bqe Generale du Lux.	*
YEN							
McDonald's ‡	25bn	1992	7	6½	100	Daiwa Europe	6.500
Eurofima ‡	10bn	1992	7	6⅝	100	Yamaichi Int. (Eur)	6.625
Avon Cap. Corp. ‡	25bn	1991	6	6¾	100	Yamaichi Int. (Eur)	6.750

* Not yet priced. ‡ Final terms. ** Private placement. § Convertible. † Floating-rate note. ¶ With equity warrants. Φ With debt warrants. (a) 3/16 over 6-m Libor; (b) ⅛ over 3-m Libor. (c) 45 basis points over 91-day Can. T-Bill rate, int. payable and reset monthly. (d) 55 basis points over bond equivalent yield of 91 day US T-Bills, reset weekly. (e) 3/16 over-3-m Libor. (f) ⅜ over-6-m Libor. (g) ⅛ over 3-m Limean. (h) Perpetual; refixed after 10 years. (i) ⅛ over 6-m Libor. †† Registered with U.S.S.E.C. Note: Yields are calculated on AIBD basis.

INTERNATIONAL CAPITAL MARKETS

U.S. MONEY AND CREDIT

Prime rate cuts keep bond prices bubbling

U.S. BOND prices moved higher last week despite further signs of a (so-far-limited) revival in economic activity and in money supply growth.

The price advances came as the major U.S. banks dropped their prime lending rate to 10.50 per cent and short-term money market rates continued to edge lower.

Despite this, the dollar hit new peaks prompting Treasury Secretary Mr Donald Regan to indicate after a meeting of Western Finance Ministers in Washington that the U.S. may be more willing in the future to intervene in the foreign exchange markets.

Adding to a generally positive mood in the market the Treasury gave its official blessing to the stripped zero-coupon government bond market by announcing its own programme of strips starting with the upcoming 10- and 30-year bond auctions.

The fixed income markets got an early boost in the week from the report of a 0.1 per cent decline in December retail sales and then later by news of a smaller than expected $2.1bn increase in M1, the basic U.S. money supply.

U.S. MONEY MARKET RATES (%)

	Last Friday	1 week ago	4 wks ago	—12-month— High	Low
Fed Funds (weekly average)	8.20	8.20	7.82	11.77	7.82
Three-month Treasury bills	7.73	7.77	7.76	10.77	7.61
Six-month Treasury bills	7.94	8.05	8.00	10.83	7.87
Three-month prime CDs	8.07	8.20	8.25	11.90	8.07
30-day Commercial Paper	7.88	7.90	8.05	11.38	7.88
90-day Commercial Paper	8.00	8.00	8.05	11.40	8.00

U.S. BOND PRICES AND YIELDS (%)

	Last Friday	Change on week	Yield	1 week ago	4 wks ago
Seven-year Treasury	101⅛	+ ⅞	11.26	11.47	(new)
20-year Treasury	99⅞	+ 1⅛	11.63	11.78	11.48
30-year Treasury	101⅞	+ ⅞	11.53	11.62	11.38
New 10-year "A" Financial	N/A	+ 1	12.13	12.30	12.00
New "AA" Long utility	N/A	+ 1⅞	12.50	12.75	12.40
New "AA" Long industrial	N/A	+ 1	12.25	12.38	12.25

Source: Salomon Bros (estimates).

Money Supply: In the week ended January 7 M1 rose by $2.1bn to $569.4bn.

However, the retail sales figure was generally considered suspect by Wall Street's senior economists, and some other important economic figures like housing starts and industrial production tended to confirm the anticipated pick-up in economic activity.

This week, with the major New York banks and the NY Fed closed today for another public holiday, the market will re-open on Tuesday to the preliminary fourth-quarter GNP figure. The "flash" estimate came in at a 2.8 per cent real annual rate of increase and Wall Street is split over what the first of the revisions will show. Some economists contend that a big reduction in inventories recently will pull the number down while others are predicting an upward revision to a 3.5 per cent annual increase.

Among the other economic indicators due out this week will be the December consumer price index, but with the talk on Wall Street of further oil price declines and a strengthening dollar — in spite of nerves about the heightened prospect of co-ordinated central bank intervention — deflation rather than inflation is the hit subject at present.

Following the auction of $8.53bn in one-year notes at an average yield of 8.39 per cent last Thursday, the Treasury will be back in the market on Wednesday with $9.8bn of two-year notes to help fund the yawning Federal budget deficit.

But some relief may be on hand. The Treasury has, as promised, made the future onslaught of new government paper a little easier to swallow —and proved at the same time that it can recognise a good thing when it sees it.

Wall Street has already bred a veritable zoo of certificates representing stripped-down government securities such as "Tigers" from Merrill Lynch and "Cats" from Salomon Brothers. Over the past three years these new-fangled animals have eaten up over $40bn in government debt which has than been repackaged as certificates backed by the government paper and sold onto retail investors hungry for zero-coupon paper sold at big discounts.

Now the Treasury is getting in on the act. The coupons and the principal of its 10- and 30-year bonds will be able to be traded by the big Wall Street firms separately. In addition the bonds—unlike the current 30-year bond—will not be callable.

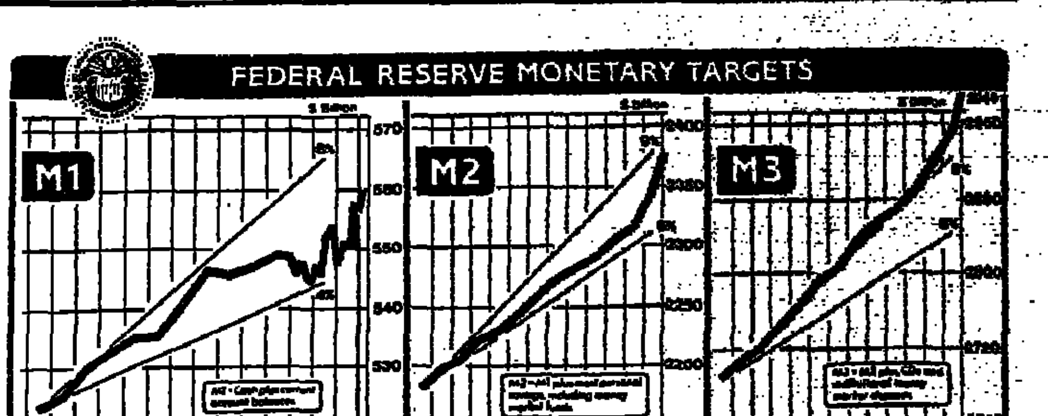
Appropriately, the scheme is being called strips or separate trading of registered interest and principal of securities. The Treasury hopes the scheme—like the specially targeted bonds for foreign investors introduced last year — will further broaden the market for its paper and cut funding costs.

Views on Wall Street about the impact of the new style Treasury issues varies considerably. The introduction of strips has already had some impact retarding the issue of new Cats and Tigers ahead of the announcement. These issues are expected to bounce back now uncertainty has been removed. Their primary market will probably remain those retail investors who have become accustomed to them thanks to heavy marking efforts by the Wall Street firms.

To the extent that the new issues are successful, their major impact coud be to lower the yields on some long government paper, and particularly on the 30-year long bond which closed last wek up ⅞ points at 101⅞ to yield 11.53, down from 11.62 the week before. This could result in making the Treasury long bond—historically accepted as an indicator of the state of the market —a less accurate marker.

In the meantime, however, Wall Street is still watching the Fed and attempting to guess the next move. The consensus view remains that despite signs of an economic upturn and growth in the monetary measures, the Fed will maintain a slight bias towards accommodation.

Paul Taylor



UK GILTS

Why new base rates may prevail

THE equity market may have shrugged off last week's rise in base rates to race through the 1,000-mark on the FT Ordinary index, but in gilt-edged dealing rooms more sober counsels prevailed.

True, signs from the Washington Group of Five meeting that even the U.S. Administration may finally become exasperated with the strength of the dollar reminded the gilts market on Friday that prices do occasionally go up.

And sterling's steadier performance towards the end of the week coupled with Siberian weather over most of Europe brought hopes that the move to 12 per cent base rates may have been too late but wasn't too little.

But while equities seemed to be discounting a rapid turnround in interest rates in an action replay of events last summer, gilts analysts were wondering whether the impact of the latest sterling crisis would not last a great deal longer.

First there were doubts over whether the market had actually fallen far enough to adjust to the rise in short-term interest rates.

The two-stage increase in base rates pushed up yields for short-dated issues from 11.4 to 11.8 per cent and for long-dated from 10.4 to 10.7.

But if Friday's figures showing inflation at well under 5 per cent should have reminded the market how attractive yields at this level might be, traders were remembering that they went even higher last July when base rates were at the same level.

There was also a widespread perception that the institutions need be in no hurry to lock in to present yield levels.

The slight downward slope in the yield curve in the money markets notwithstanding, most brokers' economists believe that sterling's vulnerability to oil prices and to the strength of the dollar means that 12 per cent base rates may be here for some time.

Mr Nigel Lawson will be cautious about risking another run on the pound ahead of his March 19 budget, particularly as the Treasury has now conceded that a lax monetary stance was partly to blame for the latest storm.

Anxiety over the trend in public borrowing has also made investors wary of going back into the market too quickly.

The Treasury acknowledges that the PSBR will now overrun its latest £8.5bn target and that the blame cannot be heaped entirely on the miners.

Many latest City estimates put the figure at £9bn or so, but an analysis of trends in departmental spending has led broker Grieveson Grant to raise its estimate to £9.8bn.

The expected overrun on borrowing coupled with bouyant bank credit demand means that the authorities will have to fund fairly heavily over the next few months.

Stephen Lewis of Phillips & Drew, for example, believes they will need net gilt sales of nearly £3bn by mid-April to keep sterling M3 within its 6 to 10 per cent target range.

The authorities' anxiety to resume funding was demonstrated by the alacrity with which they announced a new £800m tap stock, the Exchequer 10½ per cent 2005.

The response was not as dismal as many had feared—the Government broker sold an estimated £300m to £400m—but much of the business involved insurance companies switching from existing stocks.

The task facing the authorities now is to get the momentum of funding going again to take advantake of the boost to institutional liquidty provided by large dividend flows over coming weeks.

If it does then the monetary situation will not look so worrying, but much may depend on whether the apparent switch of emphasis of currency intervention seen at the Washington talks is actually translated into action.

Philip Stephens

FT/AIBD INTERNATIONAL BOND SERVICE

U.S. DOLLAR STRAIGHTS	Issued	Price	Chg. on week	Yield
AHFC O/S Fin 11⅞ 94	100	99	−0⅛	11.93
Amer Saving 12 89	125	100⅞	+0½	11.69
Amer Saving 12¾ 89	100	101⅛	+0⅛	11.78
Asian Dev Bk 11¾ 93	100	98⅞	−0⅛	11.94
Australia 11¼ 90	100	103⅛	+0½	10.42
Australia 11½ 95	300	100⅝	0	11.38
Australia 11¾ 98	100	102⅜	+0⅛	11.22
AIDC 11 89	75	99¾	−0⅛	11.07
Austria 15½ 88	75	110⅛	0	11.45
Bk America 12 87	290	102⅜	−0⅛	10.69
Bk Nova Scotia 13⅞ 87	100	102⅞	−0⅛	12.24
Bank of Tokyo 13⅜ 91	100	106⅝	−0⅛	12.04
Bank of Tokyo 13⅞ 89	100	106⅜	−0⅛	11.90
Bqe Nat Paris 13½ 89	150	106⅛	+0⅛	11.86
Bqe Nat Paris 14¼ 90	250	106⅝	+0½	12.42
BFCE 16 86	299	108½	+0⅛	10.55
Br Col Hydro 11¾ 93	200	101¼	−0⅛	11.47
Br Col Hydro 12½ 14	200	102⅛	+0⅛	12.60
Br Col Hydro 12½ 13	250	101⅞	+0⅛	12.63
Britoil Fin 11⅞ 90	125	100⅜	+0⅛	11.78
CCCE 12⅞ 95	75	101¾	0	12.26
Canada 10⅞ 88	500	100½	−0⅛	10.67
Casio Computer 6⅞ 89	80	111½	−0½	2.89
Citicorp O/S 10 88	300	99	0	10.68
Citicorp O/S 10¾ 90	100	94	+0½	11.93
Citicorp O/S 11½ 88	100	98¾	−0⅛	12.07
Citicorp 11¾ 90	100	98½	0	12.09
Citicorp O/S 12 87	200	101⅞	−0⅛	11.11
Citicorp O/S 14 94	100	101⅛	−0⅛	13.74
CNCA 13¾ 91	100	105⅝	+0½	11.90
Coastfed Int 12¼ 88	125	102½	+0⅛	11.25
Comp Bancaire 13⅞ 90	75	106	0	12.25
Comsat 12¼ 91	100	100⅛	0	12.16
Creditanstalt 13⅛ 91	100	103⅞	0	12.17
Daiichi Kangyo 12⅜ 90	100	101⅜	0	11.87
Dart & Kraft 7¾ 98	85	95⅜	+1⅜	8.29
Denmark 11¾ 90	100	100⅛	+0⅛	11.65
Denmark 12⅜ 92	150	100⅛	+0½	12.72
Denmark 13 92	100	101⅛	−0⅛	12.75
Denmark 13¼ 91	100	104⅜	−0⅛	12.22
Denmark 13⅞ 88	100	106⅛	+0⅛	11.61
Denmark 14 91	100	106⅝	0	12.52
Du Pont Canada 13½ 91	65	104⅜	0	12.42
Digital Equip 11⅜ 89	150	101	−0⅛	11.41
Dutch St Mines 11⅜ 91	150	97⅞	−0⅛	11.86
Eksportfinans 11½ 90	100	99⅛	+0⅛	11.69
EEC 10¼ 95	75	93	+0⅛	11.96
EEC 11 87	350	100½	+0⅛	10.69
EEC 11 95	75	96⅛	−0⅛	11.62
EEC 12 93	100	101⅛	−0⅛	11.74
EEC 12 93	50	99⅞	−0⅛	12.01
Euro Inv Bk 11½ 90	200	99¾	+0⅛	11.55
Euro Inv Bk 11⅜ 91	73	96⅜	−0⅛	12.51
Euro Inv Bk 11⅞ 93	150	100⅛	+0⅛	11.80
Euro Inv Bk 12½ 90	100	103⅜	+0⅛	11.48
EDC 11⅛ 89	150	99⅝	−0½	11.23
EDC 11⅜ 87	100	102	+0⅛	10.83
EDC 12 89	100	102½	−0⅛	11.26
EDC 12¾ 87	100	101⅞	+0⅛	11.70
EDC 13¼ 87	100	105⅜	+0⅛	10.78
Export & Import 13¾ 91	75	109	−0½	11.17
Farm Cred Cpn 11⅝ 93	75	100	−0⅞	11.60
Finland 9½ 86	100	99¾	+0½	9.68
Finland 11½ 88	100	100⅞	+0⅛	11.14
Finland 15¾ 87	75	108⅛	+0⅛	10.83
Finnish Export 12⅜ 87	75	103⅛	+0⅛	11.22
Firstfed Mich 1 13¼ 89	125	103	0	12.28
Florida Fed 12⅞ 89	100	103⅜	+0⅛	11.30
G. E. Credit 96	600	25⅜	0	12.32
General Elec 9⅜ 91	100	94⅞	+0⅛	10.86
Gen Elec Cred 11 91	200	99⅛	−0⅛	11.20
Gen Motors Ac 11⅛ 90	100	101⅜	+0⅛	11.01
Gen Motors Ac 12⅜ 86	200	101½	+0⅛	11.03
Gen Motors Ac 13 86	200	102⅜	+0⅛	11.00
GZB 14 91	100	106	+0⅛	12.54
Giro Vienna 13⅜ 91	75	102½	+0⅛	12.61
GTE Finance 12 96	75	103⅛	0	11.85
Gulf Oil 10¼ 94	100	95⅛	+1⅛	11.08
Gulf Oil 12⅜ 87	100	102⅛	0	11.18
Holl Air Fin 12⅜ 91	100	103⅜	+0⅛	12.04
IBM Credit 13⅞ 87	100	103⅞	+0⅛	12.56
IBM 12⅜ 92	200	107½	−0⅛	10.74
IC Industries 11⅞ 98	75	98	+0⅛	12.17
Ind Bk Japan 11½ 89	125	100⅛	−0⅛	11.44
Ind Bk Japan 11⅞ 91	100	101⅜	+0⅛	11.50
Ind Bk Japan 13⅞ 91	125	109⅜	−0⅛	11.60
IADB 12⅞ 93	120	102⅜	+1	12.04
Int Bk Rc Dv 11⅜ 90	200	99	0	11.47
Int Bk Rc Dv 12 93	200	101⅛	−0⅛	11.71
Int Paper 12 91	75	103⅞	+0⅛	11.19
Int Stand Elec 97	112	22⅞	+0⅛	13.01
Int Stand Elec 12 96	75	97½	−0⅛	12.41
Itoh 7½ 89	50	0		
ITT 11½ 89	125	100⅜	+0⅛	11.38
Japan Airlines 12½ 94	70	108⅞	+0⅛	11.25
Japan Dev Bk 11⅞ 91	100	100⅛	−1⅛	12.16
Kyowa Fin HK 12⅞ 90	100	103	0	12.04
Long Term Cred 10⅜ 90	100	96	−0⅛	11.76
Long Term Cred 11 90	100	96⅜	−0⅛	11.86
Long Term Cred 11⅞ 89	100	100⅜	0	11.72
Long Term Cred 12 93	100	102⅛	+0⅛	11.59
Long Term Cred 12½ 90	85	104⅞	0	11.26
Macy R. H. 11⅜ 91	100	101½	+0⅛	11.39
McDonalds Fin 11⅜ 94	75	99⅛	0	11.74
Minebea 6⅜ 89	100	105⅞	−0⅛	4.64
Mitsubishi 5⅜ 88	100	98	−2	6.35
Mitsubishi Cp 12½ 91	100	106½	0	10.99
Mitsub Gas Ch 6⅞ 89	50	94½	−0½	8.48
Mitsui Eng 7⅞ 88	50	91⅛	+0⅛	10.18
Mitsui Tst Fin 12 91	100	100⅜	+0⅛	11.90
Montreal Urban 12 90	75	99	−0⅛	12.22
Mgn Guaranty 12⅜ 89	150	101⅜	+0⅛	11.66
Mount Isa Fin 13⅜ 87	100	104½	+0⅛	11.48
Ned Gasunie 11¼ 90	75	98⅜	−0½	11.56
Ned Gasunie 11⅜ 91	75	98⅛	−0⅛	11.61
Newfoundland 13 91	75	104	0	12.02
Nippon Crd Bk 13⅞ 89	100	105⅞	−0½	12.04
Nippon Tel Tel 11⅜ 90	100	107⅞	−0⅛	10.88
Nippon Tel Tel 13 11/32 94	150	108⅞	0	11.72
Nissho-Iwai 6½ 89	70	88⅞	−0⅛	10.22
Nomura 6⅛ 88	100	114⅛	+0⅛	2.32
Nordic Inv Bk 11⅜ 90	75	99⅞	−0⅛	11.76
Nova Scotia 11¾ 91	100	99⅞	+0⅛	11.78
Oester Post 12⅞ 89	75	101⅛	0	11.78
Ohbayashi-Gumi 7⅜ 89	50	116⅞	+0⅛	3.10
Ontario Hydro 11⅝ 94	200	100⅛	−0⅛	11.60
Ontario Hydro 11¾ 90	200	102½	0	11.10
Ontario 12½ 94	250	104⅞	+0½	11.95
Pacific Gas & El 12 91	75	100⅜	−0⅛	11.91
Penney J. C. 11⅞ 90	100	100⅛	−0⅛	11.72
Penney J. C. 12⅜ 91	100	103⅜	+0½	11.90
Philips Petrol 14 89	200	105⅜	0	12.26
Post-Och Kred 12 90	75	99⅜	+0½	12.16
Post-Och Kred 13½ 87	50	104⅛	+0½	11.27
Prudential 10⅛ 93	150	97	0	10.66
Prudential Ins 12⅜ 87	150	104⅛	+0⅛	10.76
Quebec Prov 12⅞ 93	100	101⅜	+0⅛	12.21
Quebec Prov 12⅜ 94	150	101⅛	−0⅛	12.02
Quebec Prov 13 13	100	102½	+0⅛	13.06
RTZ 11⅛ 93	100	95¼	−0⅛	12.42
Rockefeller 13⅜ 89	100	104⅜	+0⅛	11.79
RBC 11⅛ 89	100	99⅛	−0⅛	11.69
Royal Bk Scot 11½ 93	75	98⅜	0	12.17
Royal Bk Scot 11⅞ 93	75	97⅜	−0⅛	12.36
Rural Bk Aust 12 91	50	98⅜	+0⅛	12.32
Sanwa Intl Fin 12⅜ 90	80	102⅜	+0⅛	11.89
Saskatchewan 10⅜ 90	125	98⅜	+0⅛	11.23
Saskatchewan 11⅞ 89	100	101⅞	+0⅛	11.32
Saskatchewan 15 92	150	114⅜	+0⅛	11.92
Saskatchewan 16 89	125	113⅞	−0⅛	11.57
Saskatchewan 16⅜ 88	100	111⅛	+0⅛	12.37
Scot Intl Fin 14⅜ 96	50	105½	+0⅛	13.25
Sears O/S Fin 98	500	20⅞	−0⅛	12.33
Sears Roebuck 10½ 91	150	96⅛	0	11.34
Sears Roebuck 11⅜ 93	150	100⅜	+0⅛	11.46
Sears Roebuck 11⅜ 91	150	102⅜	+0⅛	11.08
Sears Roebuck 11½ 88	125	101⅛	−0⅛	10.94
Sec Pacific 11⅜ 88	100	100⅜	+0⅛	11.48
Sec Pacific 11⅝ 89	75	98⅛	+0½	12.02
Sec Pacific 12 92	100	99⅛	+0⅛	12.12
Seino Trans 6⅞ 89	50	93	−1	8.94
Shearson/Amex 12⅛ 94	100	101	−0⅛	11.92
Shell (Canada) 14⅜ 92	125	109	−0⅛	12.39
Shell (Canada) 15⅜ 91	100	112⅜	0	12.85
Standard Chart 11½ 94	200	99⅜	−0⅛	11.56
Statoil 12 88	100	102⅞	+0⅛	10.86
Statoil 13½ 89	100	107½	−0⅛	11.24
Sumitomo Fin 12⅜ 91	150	103	0	12.01
Sweden 12⅜ 89	200	103⅛	+0⅛	11.37
Swedish Export 11½ 89	100	100	+0⅛	11.49
Taiyo Kobe 12 90	100	100⅛	+0⅛	11.89
Texaco 10½ 90	200	95¾	−0⅛	11.66
Texaco 10½ 93	200	96	+0½	11.22
Texaco Capital 13½ 89	200	106¾	0	11.60
Texas Instr 11⅞ 91	150	100⅞	+0⅛	11.77
Tokai Asia 12⅜ 91	100	101⅞	+0⅛	11.97
Tokyo Electric 8½ 89	70	93	+0⅛	8.55
Tokyo Electric 13⅜ 89	100	108	−0⅛	10.99
Toronto-Dom 12⅜ 89	50	102	+0⅛	11.96
UBS 12⅜ 91	100	102⅜	0	11.58
Veba 8 93	70	112⅜	−2⅜	6.15
Warner-Lambert 10⅜ 90	100	98⅛	+0⅛	10.75
West LB 11⅞ 90	100	98⅛	−0⅛	12.20
Weyerhaeuser 11½ 90	60	99⅞	+0⅞	11.51
Yasuda Trust 12⅜ 89	100	101⅞	+0⅛	11.94

FLOATING RATE NOTES	Issued	Price	Chg. on week	C.cpn
Allied Irish ⅛ 92	100	100⅛	+0⅛	11⅛
Allied Irish ½ 95	100	99⅜	+0⅛	9 11/16
Arab Bank Cpn ¼ 96	100	100	+0⅛	12⅛
Oster Lbnk ⅛ 99	100	99⅞	0	11 11/16
BAII ⅛ 91	50	99⅜	+0⅛	12
Banca Lavoro ⅛ 91	100	100⅛	+0½	10 5/16
Banca Naz DA ⅛ 91	75	100⅛	0	9⅛
Banco Napoli ¼ 95	100	100⅜	+0⅛	10 5/16
Banco di Roma ⅛ 90	75	100	−0⅛	12 5/16
Banco Hispano ⅛ 95	100	100⅛	+0½	11 5/16
BCCI ¼ 90	60	99	0	9⅞
Bankers Tr NY ⅛ 96	200	100⅛	0	9⅞
Bank of Helsinki ⅛ 99	50	98⅞	−0⅛	11 11/16
Bank of Greece ⅜ 94	150	98⅛	+0⅛	9⅛
Bank Montreal ⅛ 96	250	100⅛	0	10⅛
Bank of New York ⅛ 96	75	100	+0⅛	11 5/16
Bqe Dev Econ ⅛ 90	80	97	0	9⅞
Bqe L'Indosuez ⅛ 99	150	100⅞	0	12 5/16
Bqe Nat Paris ⅛ 88	400	101⅛	+0⅛	12½
Bqe Nat Paris ⅛ 95	400	100⅜	0	12⅜
Barclays O/S ⅛ 04	350	100⅛	0	12 5/16
BBL ⅛ 99	100	100⅛	+0⅛	11 11/16
Belgium ⅛ 94 £	100	99½	−0⅛	9⅛
Belgium ⅛ 04	400	100⅛	+0⅛	9⅛
BFG Finance ⅛ 96	100	99⅜	0	9 5/16
Credit Commerce ⅛ 98	125	100⅛	−0⅛	12
CEPME ½ 89	145	98⅜	0	8 5/16
CEPME ⅛ 96 £	100	99⅞	+0⅛	10⅛
Citicorp O/S ⅛ 91 £	100	99½	−0½	10
Caisse Nat Tel ⅛ 90	275	100⅛	0	11 5/16
Caisse Nat Tel ⅛ 91	250	100½	−0⅛	10⅞
Commerzbank ⅛ 89	100	100	+0⅛	9 13/16
Creditanstalt ⅛ 94	125	100⅛	0	8
Credittanstalt ⅛ 96	150	100⅛	0	12 5/16
Credit Commerce ⅛ 96	250	100½	0	12⅜
Credit Foncier ⅛ 93	500	101	+0⅛	12
Credit Lyonn ⅛ 96	300	100⅛	−0⅞	9⅞
Credit Lyonnais ⅛ 98	250	100⅛	0	9
Cred National ⅛ 95 £	100	99⅞	+0⅛	9⅞
Dai-Ichi Kangyo ⅛ 89	150	100½	+0⅛	10 5/16
Dansk Olie ⅛ 99	100	100⅛	+0⅛	9
Denmark ⅛ 98 £	100	100	0	10
Denmark 3/16 90	500	100⅞	+0⅛	11⅛
Denmark 3/16 04	500	100⅜	+0⅛	12⅜
Denmark ⅛	600	100½	0	12⅜
Dresdner Bank ⅛ 93	400	101⅛	+0⅛	11½
Dresdner Bank 0 89	350	100	+0⅛	9 13/16
EAB Finance ⅛ 93	75	100	0	9 13/16
Eldorado Nuke 0 89	100	100⅛	+0⅛	12 5/16
Elec de France ⅛ 98	400	100½	+0⅛	12⅜
ENEL ⅛ 93 £	100	99⅜	+0½	10⅛
Equitable O/S ⅛ 94	50	98½	0	9⅛
Exterior Intl ⅛ 96	125	100½	+0½	9 5/16
Ferro del Stat ⅛ 99	250	100⅜	+0⅛	12½
Fiat Finance ⅛ 94	100	89⅜	0	12
First Aust Bank ⅛ 92	50	99⅜	+0⅛	12 11/16
First Interstate ⅛ 95	150	89⅞	+0⅛	9 5/16
Fuji Bank ⅛ 98	200	100⅛	0	8⅞
Genfinance ⅛ 94	100	100⅛	−0⅛	12⅜
GZB ⅛ 96	50	100⅛	+0⅛	9 13/16
Gotabanken ⅛ 94	50	100⅜	+0⅛	10⅜
GW O/S Fin ⅛ 94	100	99⅛	+0⅛	12
Grindlays ⅛ 94	100	100⅛	0	12½
Indonesia ⅛ 93	250	98⅞	0	12
INI Perpet 3/16 00	150	100	0	11 15/16
Interfirst Tex ⅛ 89	100	96	0	8⅞
Int Bk Rec Dev 11/32 89	250	98⅜	−0⅛	8 9/32
Ireland ⅛ 93 £	50	100	0	10 5/16
Ireland 3/16 94	300	100⅛	+0⅛	9⅞
Italian Intl ⅛ 91	60	98⅜	0	13
Italy ⅛ 99	500	100⅛	0	12⅜
Kansallis-Osak ⅛ 92	100	100⅛	0	12½
Kleinwort Ben ⅛ 98	100	100⅜	+0⅛	12 5/16
Kone Cpn ⅛ 94	50	98½	0	9⅞
Korea Exch Bk ⅛ 93	50	99⅜	0	9 5/16
Lloyds Eurofin ⅛ 92	100	100⅞	+0⅛	9 13/16
Lloyds Eurofin ⅛ 93	200	100⅞	+0⅛	10 13/16
Lloyds Bank ⅛ 04	250	100⅛	+0⅛	11½
Malaysia ⅛ 93	850	100½	+0⅛	12 5/16
Megal Fin 3/16 94 CU	100	98½	−4	9 13/16
Midland Intl ⅛ 89	125	100⅜	−0⅛	9 5/16
Midland Intl 0 91	150	101⅛	+0⅛	11
Midland Intl ⅛ 99	200	100⅛	0	12⅜
Mitsui Fin ⅛ 96	100	100⅛	0	12 5/16
Montreal Urban 0 91	150	100⅞	0	12 5/16
Morgan Grenfell ⅛ 94	50	98⅜	0	9
Morgan JP Int ⅛ 97	250	100⅞	0	9 13/16
Mtge Bk Denmark ⅛ 93	150	101	+0⅛	12 13/16
Mtg Bk Dmark 3/16 94 £	50	100	0	10⅜
Mtg Bk Denmark ⅛ 99	175	100⅛	+0⅛	8 5/16
Nat Bk Canada ⅛ 91	50	100⅛	+0⅛	9 5/16
Nat Bk Canada ⅛ 91	50	100	0	9⅛
Nat West Bank ⅛ 90	150	100⅛	0	9 5/16
Nat West Fin ⅛	365	100⅛	0	10⅜
Neste Oy ⅛ 94	100	100½	+0⅛	12⅛
Oko Bank ⅛ 92	50	99⅛	0	12⅛
Pirelli Fin ⅛ 94	50	98⅜	+0½	12½
Portugal ⅛ 92	100	98⅜	0	12
Quebec Hydro ⅛ 94	200	100½	0	12⅞
Queensld Coal ⅛ 96	355	101	+0⅛	10 5/16
Queensld Coal ½ 86	48	100⅞	+0½	10 5/16
Renfe ⅛ 91	100	100⅜	+0⅛	12⅛
Saitama Intl ⅛ 93	60	100½	+0⅛	9⅞
Sanwa Intl ⅛ 92	150	100	0	12⅛
Sanwa Bk ⅛ 04	150	100⅛	0	12⅞
Scandivia Fin ⅛ 93	70	99⅜	−0⅛	9 5/16
Scot Intl Fin ⅛ 92	100	100⅞	+0⅛	11 13/16
SEAT ⅛ 93	100	100⅛	+1	9 5/16
Skopbank ⅛ 94	75	99⅜	−0⅛	9½
SNCF ⅛ 93 £	75	100½	+0⅛	10 13/16
Soc Generale ⅛ 91	125	100½	0	9 5/16
Soc Generale ⅛ 94	250	100⅜	+0⅛	12 5/16
Spain ⅛ 97	250	100⅛	+0⅛	12⅛
Standard Chart ⅛ 91	100	100⅛	0	10⅛
Standard Chart ⅛ 94	200	100⅛	0	9⅛
Sumitomo Tst ⅛ 94	100	100⅜	+0⅛	12 5/16
Sweden ⅛ 03	1bn	100½	0	10 5/16
Sweden ⅛ 24	500	100⅛	−0⅛	11 13/16
Sweden ⅛	750	100½	0	9 5/16
Taiyo Kobe F ⅛ 04	100	100⅛	+0⅛	10 5/16
Thailand ⅛ 00	85	100	0	12 13/16
Tokai Asia ⅛ 99	150	100⅜	0	9 13/16
Toyo Tst Asia ⅛ 99	100	100½	+0⅛	9 13/16
TVO Power ⅛ 04	100	98⅛	−0⅛	8
Union Bank-Norw ⅛ 99	50	98⅜	+0⅛	12 5/16
Vizcaya Intl ⅛ 96	75	100	+0⅛	10½
Wells Fargo 3/16 96	50	98½	−0⅛	8 13/16
Yokohama Asia ⅛ 94	100	100⅜	+0⅛	11⅛
Yorkshire Int ⅛ 94 £	75	98½	−0⅛	10⅛

CONVERTIBLE BONDS	Issued	Price	Chg. on week	Prem.
Ajinomoto 3 99	120	94⅜	−1⅞	
BBC Brown Bov 4¼ 95	57	89⅞	+0⅛	1.36
Comest Intl 7⅜ 98	110	80⅜	+1⅞	42.87
Daiwa Secs 5½ 98	50	143⅜	+6⅛	1.80
Dev Bk Sing 5½ 98	70	69	−1	9.87
Elders 11⅛ 84	180	105	−0½	81.28
Elektrowatt 5 98	52	89⅜	+2⅜	17.83
Fanuc 3⅜ 98	80	149⅜	−1⅞	2.31
Fujitsu 3 99	180	99⅜	−2⅛	7.95
Intec Inc 3 99	50	79⅜	−9⅛	−3.40
Konishiroku 4 98	50	93⅜	+1	1.91
Man Hanover 11⅛ 96	100	97½	+0½	
Mitsubishi H 4⅜ 99	100	98½	−1⅛	7.02
Moet-Hennessy 7 99	50	102	+0⅞	4.92
Murata Mfg 3⅜ 99	100	113⅜	+1⅜	1.27
Murata Mfg 3½ 00	100	110½	−0⅛	1.60
Nippon Oil 3⅜ 99	50	82½	−0⅞	8.98
Ono Pharm 3⅜ 98	80	98	−29	−2.84
Sekisui 3 98	50	94⅜	−1⅛	−0.08
Soc Gen Surv 4½ 94	61	89	+2	145.51
Sumitomo Corp 2⅞ 99	70	94⅜	−2⅛	1.44
Texaco Capital 11⅞ 94	1bn	100⅜	+0⅛	48.16
Texaco Capital 11⅜ 94	500	98⅜	0	46.88
Usair Finance 7 98	50	104⅜	+0⅞	9.07
Yamanouchi 4 90	50	169½	−8⅛	−1.54

YEN STRAIGHTS	Issued	Price	Chg. on week	Yield
Asian Dev Bk 7⅜ 94	15	100⅞	0	7.24
IADB 7⅜ 93	15	103⅜	−0½	7.28
New Zealand 7⅜ 90	15	100⅛	−0⅛	6.93
World Bank 7 94	20	98⅜	−0⅛	7.09
World Bank 7⅜ 93	20	103⅛	+0⅛	7.09

LUXFR STRAIGHTS	Issued	Price	Chg. on week	Yield
E Coal & Steel 10½ 94	1bn	102½	0	9.99
Euro Invest Bk 10½ 94	1bn	104⅛	+0⅛	9.77
Int Bk Rec Dev 10⅜ 89	1bn	104⅜	+0⅜	8.90

GUILDER STRAIGHTS	Issued	Price	Chg. on week	Yield
ABN 8 89	200	104	−0⅛	6.82
Aegon Insur 8⅜ 89	100	104	−0⅛	7.15
Amro Bank 8 89	200	103⅜	−0⅛	6.92
Amro Bank 8⅜ 88	100	105	−0⅛	7.18
Bk Mees & Hope 8⅜ 89	100	104	−0⅛	7.09
Beatrice Foods 8⅜ 89	100	100⅛	−0⅛	8.18
C C Rabo 8 89	150	103⅞	−0⅛	6.90
C C Rabo 9 88	100	108	−0⅛	7.17
Denmark 8½ 91	100	104⅜	−0⅞	7.68
Int Bk Rec Dev 8½ 89	150	103⅛	−0⅛	7.19
Int Stand Elec 8½ 89	100	105⅛	+0⅛	7.09
Nedd Midd Bank 9 88	100	106	−0⅛	7.12
New Zealand 8⅜ 89	100	104⅜	0	6.99

CANADIAN DOLLAR STRAIGHTS	Issued	Price	Chg. on week	Yield
Br Col Prov 12 93	100	102⅜	−0⅛	11.59
Bqe L'Indosuez 14 91	75	105⅛	0	12.76
Br Col Munic 13½ 91	100	107	−0⅛	11.86
Br Col Tele 12⅜ 89	70	101	0	12.09
Farm Cred Corp 12⅜ 90	75	103⅜	−0⅛	11.29
Int Bk Rec Dev 12⅜ 90	75	105	−0⅛	11.00
Montreal City 12½ 91	70	103⅜	+0⅛	11.68
Quebec Hydro 14 91	75	108⅛	−0⅛	12.04

ECU STRAIGHTS	Issued	Price	Chg. on week	Yield
Australia & NZ 10⅜ 91	50	103⅛	−1	10.00
Oesterreich 10⅜ 93	100	105⅛	−0⅛	9.67
Cred National 11⅜ 91	60	107	−0⅛	9.79
Denmark 10⅜ 91	75	104⅛	−0⅞	9.78
Ebco Intnl 10⅞ 89	55	105⅜	−1⅛	9.11
EEC 10½ 91	60	103⅛	+0⅛	9.73
EEC 11 93	50	108½	−0⅛	9.65
EEC 11⅛ 91	50	105⅜	−0⅞	9.89
EEC 11⅜ 93	70	105⅞	−0⅛	10.17
Euro Coal & Steel 6 94	60	105⅜	0	10.14
Euro Invest Bk 10⅜ 89	50	105⅛	−1⅛	9.02
Euro Invest Bk 10⅜ 94	100	104⅜	−0⅛	9.82
Euro Invest Bk 11⅜ 92	75	105⅜	−0⅞	9.87
Euro Invest Bk 11⅜ 93	50	110⅛	+0⅛	9.33
Euro Invest Bk 11⅜ 98	50	106	−0⅛	10.31
Gen Finance 11 90	70	105⅛	−1⅛	9.76
Gte Finance 10⅞ 92	50	106	−1⅛	9.67
Int Bk Rec Dev 10⅜ 88	100	105½	−0⅛	8.86
Int Bk Rec Dev 11 93	50	106½	−0⅛	9.86
Italian Treas 11½ 90	60	104½	−0⅛	10.40
Megal Finance 11⅜ 94	100	103⅜	+0⅛	10.64
Nippon Cred Bk 11 91	50	104⅜	−1	9.86
Nordic Inv Bk 6 94	50	105⅜	+0⅞	10.14
Post Och Kred 10⅞ 92	50	103⅛	−0⅛	10.22
Royal Bk Can 10½ 89	85	105⅛	−1½	8.96
SNCI 10⅞ 94	60	104⅛	−0⅛	10.16
Swedish Export 11 89	50	104⅛	−0½	9.74
West LB 10⅜ 91	60	105	−0⅛	8.74

AUSTRALIAN DOLLAR STRAIGHTS	Issued	Price	Chg. on week	Yield
AIDC 12⅜ 90	42	98⅛	+0⅛	12.63
Nat Aust Bk 12½ 89	40	97	0	13.42
PIBA 13⅜ 88	40	102⅛	+0½	12.80
PIBA 12⅜ 89	50	98⅛	−0⅛	13.46
State Bk NSW 12⅜ 89	40	98⅜	+0⅛	12.62

STERLING STRAIGHTS	Issued	Price	Chg. on week	Yield
Europarat 11⅜ 92	50	97⅞	−1⅛	11.82
Denmark 10⅜ 89	75	95⅛	−1⅛	12.07
EEC 11⅜ 94	50	98	−1⅛	11.74
EEC 11⅞ 93	50	99⅜	−1⅛	11.92
Euro Invest Bk 10⅛ 92	75	95⅛	−1	11.77
FFI 10⅜ 93	50	95½	−1⅞	11.57
Finland 11⅞ 88	50	100⅛	−1⅜	11.89
IADB 11⅜ 91	60	97½	−1⅛	11.94
Int Bk Rec Dev 10⅜ 89	100	95⅜	−1⅛	11.97
Int Stand Elec 11⅜ 89	50	99⅞	−1⅛	11.16
Inv in Indust 10½ 91	50	95⅛	0	11.55
Inv in Indust 11½ 91	50	101	−1⅛	11.27
Ireland 11⅜ 94	50	94⅞	−1⅛	12.31
New Zealand 10⅜ 89	100	95½	−1⅛	12.00
SNCF 11⅛ 94	60	95⅜	−1⅛	12.02
SNCF 11½ 88	30	99⅜	−1⅛	11.58

EQUITY WARRANTS	Expiry date	Price	Chg. on week	Prem.
BASF Oversee	29/2/88	84	−5	107.01
Bayer Int DM	1/7/87	66	+1	108.28
Bayer Int DM	28/2/89	78	+2	108.83
Ciba-Geigy Int £	1/11/93	200½	0	105.08
Com Fin Deut DM	31/5/87	143	+3	68.90
C Itoh	20/1/87	43	+0⅞	
C Itoh DM	4/5/89	14	−1⅛	387.39
Credit Suisse	31/5/86	18½	−1½	94.51
Degussa Int DM	2/5/93	131½	−5	132.02
Deutsche Bank DM	18/6/91	143½	−4⅜	118.04
Dresdner Fin DM	1/9/92	0		
Dresdner DM	19/10/93	80	−10	114.55
Hoechst DM	1/2/93	87½	−2½	105.59
ICI Finance	1/6/90	335	+31	
IC Industries	15/6/88	11⅛	+0⅛	215.28
Int Pirelli	14/6/88	13	0	104.17
Minebea Co	20/2/89	25	−1⅛	
Mitsubishi Ch	20/1/87	32	−1⅞	
Mitsubishi Cp	7/11/88	16	−2⅞	839.86
Mitsui	10/12/87	14	−0⅛	
Nippon Mining	17/3/89	62⅛	−1⅛	
Nissho Iwai	1/2/89	7	−1⅛	773.05
Nomura Sec	31/10/88	32	−0⅞	932.98
Omron Tateisi	31/3/89	15	−1⅛	301.16
Philips Gloeil	15/7/88	15	0	196.33
Prudential O/S	16/12/88	100	+5	849.70
Renown	24/1/89	7	0	384.42
Schering DM	12/9/90	138	−2	105.97
Seagram Comp	15/8/88	10⅛	0	101.45
Seino Trans	17/3/89	11⅛	−0⅛	412.75
Seiyu Stores	20/3/87	54	0	
Siemens West DM	31/5/90	136⅛	−118⅞	78.58
Sumitomo Cons	24/3/89	43	−0⅞	
Sumitomo Heavy	24/2/89	11½	−0⅛	
Swiss Bk Corp	20/12/88	28⅜	0	117.65
Tokyo Electric	14/3/89	12	−0⅛	335.33
Toray Ind	5/3/87	12½	+0⅛	789.18
Veba Int	15/12/93	52⅜	−1⅛	138.09

BOND WARRANTS	Expiry date	Price	Chg. on week	Ex. yield
Aegon Ins 11⅜ 91	14/2/88	15	+0⅛	8.34
CEPME 10 93	4/3/86	1	0	12.42
Commerzbk 11⅜ 89	17/7/88	57⅜	−1	0.01
Creditanstalt 14 91	31/7/88	62½	0	3.48
Denmark 11½ 93	15/12/89	18	−0⅞	4.53
D Norsk Cr 11⅜ 91	1/2/88	9	−14⅜	10.84
Dev Bk Sing 14½ 89	12/9/86	50⅛	0	1.50
Du Pont 13⅜ 89	25/8/86	46⅛	+1⅛	1.68
Eksportfinas 13⅜ 89	15/8/87	43⅛	+1⅛	2.35
G Elec Cred 11 94	17/12/89	46	+2½	4.84
Gen Elec 12⅜ 91	7/8/87	45⅜	+2⅛	4.51
H'sehld Fin 11⅜ 90	1/12/86	7⅜	0	8.87
IBM Credit 13 87	19/6/86	44⅜	+0⅛	−4.34
Inv in Inds 10⅜ 91	1/12/88	66	0	0.83
M Hanover 13⅜ 87	1/8/86	28	0	1.18
McDonlds F 11⅜ 94	5/1/89	35	+8	5.87
Morgan J.P. 10⅜ 90	16/8/87	16⅜	+0⅛	8.38
Nordic Inv Bk 11 90	15/11/87	11⅜	0	10.53
Oestr Inbk 13½ 89	8/8/87	42⅜	+1⅛	2.43
Pnny J C 10⅞ 90	15/10/87	12⅜	−1⅛	7.32
Post-O Kred 11⅜ 90	15/11/87	8⅛	−10⅛	9.97
Ryl Bk Scot 11⅜ 93	15/11/88	20⅜	−0½	5.64
Texaco 10½ 93	15/11/87	12⅜	0	9.01
Thmsn-Brdt 13⅜ 91	28/8/86	37½	−1	8.14
Weyerhaeuser 11 90	15/11/87	13⅜	0	8.72
Xerox 13⅜ 87	15/8/86	34	0	−1.02

STRAIGHT BONDS: Yield to redemption of the mid-price. Amount issued is expressed in millions of currency units except for yen bonds, where it is in billions.

FLOATING RATE NOTES: U.S. dollars unless indicated. Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=current coupon.

CONVERTIBLE BONDS: U.S. dollars unless indicated. Prem=percentage premium of the current effective price of buying shares via the bond over the most recent share price.

WARRANTS: Equity warrant prem=exercise premium over current share price. Bond warrant ex yld=exercise yield at current warrant price.

Closing prices on January 18

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

Luxembourg's bankers feel the chill

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

WHEN they look back over the year just passed, bankers in Luxembourg can be forgiven for being a fraction less comfortable about their long-term prospects than they were before.

True, profits in the banking system as a whole are still running at a fairly high level, but for 1984 they are unlikely to exceed the previous year's total of LuxFr 88bn ($1.08bn) by a wide margin if at all. The growth of total assets at some 10 per cent was again slow in historical terms, especially since about half the increase simply reflected the impact of a stronger dollar on Luxembourg franc balance sheets.

This is not to say that the demise of Luxembourg as a banking centre is imminent, but it is now a clearly established fact that the growth of business has become very sluggish. Private sector industrial companies in Germany and Scandinavia that have been large takers of credit from the Grand Duchy in the past are now very liquid. The previous sharp increase in profits, which are now three times what they were in 1980, *owes more to the distorting effects* of Luxembourg's generous provisions policy than to its rapid diversification into fund management business. Country risk provisions which are effectively an interest-free source of funds now total some LuxFr 100bn for the system as a whole.

While there is little doubt that private customer fund management has helped bolster Luxembourg's banking sector as traditional credit volume stagnated, some bankers in the Grand Duchy are now wondering again about how to hang on to the basic lending activity that is at the core of their business. In this *context one of their main worries is* to keep Luxembourg competitive with other larger centres such as London which are constantly trying to poach their loans.

Smaller banking centres like Luxembourg have to run very fast to stand still these days and one competitive disadvantage that has now become apparent is the Grand Duchy's capital requirement, at least as applied to branches. Branches of foreign banks in London need no capital: in Luxembourg the requirement is the same as that applied to locally incorporated banks – basically 3 per cent of liabilities.

Some bankers hope that later this year the Luxembourg authorities, which are now looking at this problem, may move to relax capital requirements for foreign bank branches

Such a move might help reduce the cost of doing business in the Grand Duchy, they argue, but it would not necessarily result in a wholesale unwinding of existing locally incorporated banks. These have an important role to play in private client fund management because their independence from head office makes them better able to seek the cover of Luxembourg's bank secrecy laws. As a result a *parallel market could develop* with both branches and locally incorporated foreign bank subsidiaries operating side by side. So far it is the latter which have dominated the scene.

Michigan National gets bid approaches

By William Hall in New York

NBD BANCORP and Comercia, the two biggest banks in Detroit, have made tentative takeover approaches towards Michigan National Corporation, the troubled mid-*western* banking group which last week found a new chief executive following a six-month search.

Michigan National, a $6.7bn group which has been plagued by financial and management *problems culminating* in the sacking of its chairman last July, said on Friday that it has received an unsolicited proposal from the $8.6bn Comercia to merge the two companies through an exchange *of stock*.

Michigan National also said that it had received an "unsolicited expression of interest from the $13.2bn NBD Bankcorporation in exploring a business transaction.

Michigan National, based in Bloomfields, Michigan, says its board will "evaluate any serious proposal considering the interests of shareholders, customers and employees" but emphasised that its "general intention" was to remain independent.

Last week the bank anounced that the 45-year-old Mr Robert J. Mylod, the president of the Federal National *Mortgage Association (Fannie* Mae), was to take over as chairman and chief executive of Michigan National.

Euroclear lifts rebates fee

EUROCLEAR Clearance System, the company which runs the settlement service for internationally traded securities, is rebating fees *totalling $7.9m to users of* the system. The rebates, covering 1984, compare with $3.2m in the previous year.

As well as rebates of $6m under previously announced policies, Euroclear is making exceptional rebates of $1.9m. Euroclear chairman Dr Rolf Ernst-Breur said "in light of the company's excellent performance for 1984, the board decided to pay additional exceptional rebates."

INTERNATIONAL APPOINTMENTS

AT & T makes key board changes

AMERICAN TELEPHONE & TELEGRAPH (AT & T), the *U.S. telecommunications group*, has announced a management shuffle which is seen as an attempt to broaden the experience of four key contenders for the post of chairman when Mr Charles Brown retires in 18 months.

Mr Robert Allen, executive vice president—corporate administration and finance, becomes chairman of AT & T information systems, whose present chairman, Mr Charles Marshall, will become executive vice president at AT & T's headquarters and be responsible for co-ordinating personnel policies and external affairs.

Mr Morris Tanenbaum, chairman of AT & T Communications, also becomes an executive vice-president at headquarters, with responsibilities in financial management and strategic planning. Mr Tanenbaum will be succeeded by Mr Randall Tobias, senior vice president.

AT & T says that, with a year having gone since the break-up of the company, the reshuffle "singles a further *clarification* of the role of our corporate headquarters by establishing a more logical integration of its functions."

However, Mr Leonard Hyman, a Merrill Lynch analyst, sees the changes as "a classic AT & T management shuffle" aimed at giving each man experience of a different part of the business. The quartet, along with Mr James Olsen, AT & T vice-chairman and chairman of AT & T Technologies, will, he points out, be running AT & T in future years.

Mr Harold Pareti resigns from People Express

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

Mr Harold J. Pareti, 36, a co-founder of the cheap-fare *PEOPLE EXPRESS airline in* the U.S., has resigned as president and chief operating officer to develop his private business interests.

Mr Donald Burr, 43, chairman and chief executive, has *added the president's* job to his duties, but has appointed Mr Gilbert Roberts, 43, to run the day-to-day affairs of the airline as chief operating officer.

Mr Pareti's departure was described as amicable: Mr Burr wanted him to stay, but he preferred to develop his own interests, not necessarily in the airline business.

Mr Roberts was a general manager of People Express, *which he joined from his previous* post as an aviation inspector with the Federal Aviation Administration.

People Express, founded in 1981, has expanded fast. Last year, it doubled its passenger traffic from 5.69m to 9.1m, and earned $10.6m, or 37 cents a share, *on revenues* of $418m.

● Mr David R. Hinson, a director and co-founder of MIDWAY AIRLINES of Chicago, is to become chairman of the company from February 15, on the retirement of Mr Arthur Bass, who is leaving to pursue private business interests.

NCNB net income up by 29% to $119m

By Our New York Staff

NCNB Corporation, one of the fastest growing and most profitable U.S. regional banks, in*creased 1984 net income by 29* per cent to $119.2m.

In common with several of the major U.S. regional banks, NCNB has been expanding its balance sheet faster than many of the big U.S. money centre banks and profits have been rising faster accordingly.

Last year it increased average loans and leases by 34 per cent, partly as a result of the acquisition of the Florida-based Ellis Banking Corporation. The *volume growth combined with* higher net interest margins boosted NCNB's performance.

NCNB, whose non-performing assets at year-end equalled 1.52 per cent of total loans, increased loan loss reserves from 1.1 per *cent to 1.2 per cent of the* loan portfolio. It says the increase does not reflect any deterioration in loan quality but "reflects an industry-wide movement toward higher loan loss reserve ratios."

Totas assets at end year were $15.7bn.

● Banctexas, one of the smaller Texas banks, has passed its dividend and instigated a major management reshuffle following a $10.5m fourth-quarter loss.

The group says that a significant increase in fourth-quarter loan losses was primarily centred in the Houston area where the bank has been hit by a slump in the energy and real estate industry.

Grupo Alfa nears debt accord

BY DAVID GARDNER IN MEXICO CITY

LATIN AMERICA's biggest ever corporate debt rescheduling – the $2.5bn owed abroad by Grupo Industrial Alfa, the battered flagship of the Mexican private sector – took a major step forward last week with the presentation to the creditor banks of the term sheet already agreed with the company's four major creditors.

The presentation, which took place in New York, was seen as tantamount to an agreement in principle on the debt restructuring talks which began shortly after Alfa suspended principal payments in April 1982, *in the run up to Mexico's financial collapse.* Alfa, a diversified holding company centred on the *Hylsa steel making operations and* petrochemical concerns, then deferred about 70 per cent of its interest payments in August 1982.

The main proposals in the outline agreement appear to have been altered to fudge the question of control over the company and its future shape.

Central to previous proposals was a plan for the banks to convert $300m of holding company debt into 30 per cent of the group's common stock, with the option to turn a further $50m of this debt – to be held as non-interest bearing convertible bonds – into another 15 per cent stake after 12 years. This remains the case. However, the banks would also have had the right to name nine members of a new 16 member board.

Now the nine directors are to be jointly elected by the current *owners, largely the Garza Sada* family, and representatives of the creditor banks. This change may, according to observers in Mexico, be a sop to nationalist opinion which would be unhappy to see the country's largest private enterprise fall under foreign control.

Another major facet of earlier plans, which called for Alfa to dispose of a majority of its 143 subsidiaries, appears to have been dropped. The process of streamlining is not a precondition of the rescheduling. Attempts to sell portions of the Alfa empire, which grew at dizzy speed during the late 1970, have not been successful, but will continue on a discretionary basis over the next five years, an Alfa spokesman said.

An attraction for creditors is a new provision under which Alfa will resume interest payments im*mediately, backdated to January* 1984, to individual banks as soon as they sign the term sheet, regardless of whether all the holding companies' 60 creditors have signed.

Deak-Perera to sell Swiss subsidiary

By John Wicks in Zurich

DEAK-PERERA, the financially troubled U.S. gold and foreign exchange trader, plans to sell its Swiss subsidiary, Foreign Commerce Bank (Foco Bank).

The bank, with headquarters in Zurich and a branch in Geneva, is controlled by the New York-based holding company, Deak and Co. Bow Banking Corporation, a Zurich subsidiary of the Dow Financial *Services group, is acting in a* "corporate finance advisory capacity" in the planned divestment.

According to Dow Banking, the company is acting on behalf of an unnamed client "on a fee-*earning basis" and will attest* to a New York City bankruptcy court that the client has sufficient funds to buy Foco Bank.

Dow Banking has no title in the bank and on such title is foreseen. This would be acquired directly by the client after certain conditions had been met within a nine-month grace period.

Foco Bank had a balance-sheet total of just over SwFr 384m at the end of 1983.

● Dr Inglesias Tomas, deputy head of Macao's Monetary Authority, has at his own request been suspended while an investigation takes place into his conduct during the collapse of Deak Perera.

The collapse of Deak Macao, which was licensed as a money changer, acutely embarrassed the Portuguese - administered government at a time when Macao is trying to project itself as an alternative financial centre to nearby Hong Kong.

Coca-Cola reduces SA stake

BY JIM JONES IN JOHANNESBURG

COCA-COLA Export Corporation *is selling a controlling* interest in its R350m ($152m) turnover subsidiary, Amalgamated Beverage Industries (ABI). The buyer, for R85m, is South African Breweries (SAB), and the deal will *increase SAB's interest in ABI* to 55 per cent from 21.4 per cent.

At the start of this year, ABI sold 80 per cent of its soft drink canning interests to Coca-Cola for an undisclosed amount. Control of ABI's residual bottling and canning interests is to be sold to SAB by the end of 1986. SAB will pay 12 per cent of the purchase price on January 31 this year and the remaining 88 per cent in three instalments during 1986.

Once the deal is completed, Coca-Cola will own 30 per cent of ABI, SAB will hold 55 per cent of the equity, and a 15 per cent equity interest will be owned by Cadbury Schweppes (South Africa). ABI's third largest present shareholder.

Its assets are valued at R150m and the company is expected to earn an after-tax profit of R20m on sales of R350m in 1985.

● Blue Bell, the U.S. clothing company, has sold its interest in Wrangler, South Africa's largest denim jeans manufacturer, to the locally-owned South African Clothing (SAC) for an undisclosed amount. Wrangler's annual turnover is around R10m.

Canadian bank's new head

BY BERNARD SIMON IN TORONTO

Mr Donald Fullerton has been named chairman of Canada's third largest bank, the CANADIAN IMPERIAL BANK OF COMMERCE, succeeding Mr Russell Harrison, 63, who is retiring.

Mr Fullerton, aged 53, has worked for the bank since 1953 and was last year appointed president and chief executive officer.

One of Mr Fullerton's highest priorities has been to restore customer and staff confidence following several stormy years during which CIBC *failed* to match the performances of Canada's four other major banks. CIBC is the largest creditor of such troubled companies as Massey Ferguson, Dome Petroleum and Turbo Resources.

TECHNOLOGY

EDITED BY ALAN CANE

COVENTRY COMPANY SOLVES THE PROBLEM OF EASY VEHICLE CHECKS

How to read pressures on the move

BY PETER MARSH

A MECHANISM that reads the tyre presures of vehicles while they are on the move is under development by a small company in Coventry in association with a researcher at the University of Warwick.

In the system, strain gauges are set under a strip embedded in a road or garage forecourt. The hardware records the impact of tyres as they pass over the strip. A computer converts these readings into a figure for tyre presure that is displayed on a screen.

Hardware based on this technique could give drivers at service stations a simple way to obtain pressure readings, without having to climb out of their cars to apply a pressure gauge.

> A vital part of the work was the discovery that the strain gauge reading is directly proportional to tyre pressure

Mr John Hirst of Exotech, the company that is developing the system, thinks it could also appeal to people who operate car factories or vehicle fleets.

The hardware could automatically measure the tyre pressures of cars as they come off a production line. Companies in, for instance, the haulage or distribution industries could with the system easily monitor a vital factor that affects the road-worthiness of their lorries or vans.

David Turner, a lecturer in engineering design at the University of Warwick, first obtained the idea for the automatic pressure-reader. He took the notion to Mr Hirst, the aim of whose company is to bring technical ideas to the market place.

Exotech, a one-man company that is based on the university's science park, refrains from developing inventions itself. Instead, Mr Hirst seeks to interest bigger enterprises in the technical idea—leaving his own company free to investigate other promising areas of technology. Exotech's way of operating was outlined on this page last year (March 29).

Mr Hirst has interested the British Technology Group in backing the tyre measurer. The Government institution is considering whether to provide the extra cash needed to develop the invention further.

According to Mr Hirst, a two-strip system (one strip for the set of tyres on each side of vehicle) could sell for about £15,000.

Mr Hirst and Mr Turner have tested the invention on two prototypes built at the universcity. In the hardware, a series of 15-30 strain gauges are set in a strip 15-30 cm wide over which a tyre is rolled.

Each sensor detects the force due to the weight of the vehicle (and sheer forces related to the interaction between the tyre and the road) over a small section of the tyre perhaps 1.5 cm wide.

A vital part of the development work was the discovery that the reading of the strain gauge immediately under the centre of the tyre is directly related to tyre pressure. According to Mr Hirst, the relationship is the same whatever the weight of the vehicle passing over it.

Once this relationship has been established (this has been the task of the development studies so far) it is a simple matter to calculate tyre pressure from the relevant sensor reading.

The shear forces due to the movement of the tyre become important in influencing the strain-gauge reading only near the edges of the tyre, so the experimental work has determined.

Exotech believes that the main market is with large orgainsations thta have to carry out frequent tyre pressure checks

In a working system, a computer would analyse the data from all the sensors over the width of the strip. After working out which sensor was under the central point of the tyre, the computer would convert the information to a figure for pressure. The operation would be repeated for different tyres of the vehicle.

Mr Hirst says that in the year his company has operated, he has obtained several technical ideas from people at the university such as Mr Turner. Although some have appeared promising — for example, schemes to make new kinds of laboratory equipment—none has as yet reached a commercial stage.

Mr Hirst continually updates his portfolio of ideas in which he attempts to interest companies. So far he has had three definite successes. Inventions promoted by Exotech that other companies have subsequently developed are as follows:

- A small controller that monitors the flow of inert gas such as argon used in arc-welding torches. BOC is selling the £17 gadgets, which are made by Lowe, an engineering company in West Bromwich.
- A stainless-steel enclosure that snaps over the fasteners (such as nuts) used in the offshore construction industry. The enclosures, which cost £3 to £120 depending on their size, protect the fasteners from corrosion. Hi-Ton of Birmingham makes and sells the device.
- A pair of discs that fit over the spokes of wheelchairs used by children who are physically disabled. The discs protect the children's hands from possible injury caused by the spokes. They also make the chairs more visible at night and provide a surface for stickers of the kind that boys and girls like.

MANUFACTURING AUTOMATION

Shopfloor integration heads for the UK

BY GEOFFREY CHARLISH

A RELATIVELY new kind of company—one that specialises in computer-integrated manufacturing (CIM)—has started to flex its muscles in the UK after a successful start in the U.S., where it has installed systems for Kearney and Trecker, Kodak, General Motors and Boeing.

Based in Chicago, Cadlinc Inc was formed in 1981 and expects to reach a turnover of $35m for financial year 1984/85. It established a subsidiary in the UK in the summer of 1984 which has recently moved into new premises in Nottingham. The UK company, headed by Peter Webster, will now attack the European market, in concert with a similar subsidiary in Germany. It claims its prices are about half those of the traditional CAD/CAM vendors.

CIM, which is likely to achieve increasing significance in the next decade, is a technology which aims to bring together computer-aided design (CAD), and other computer-aided activity on or near the shop floor.

It is based on the idea that once the design database is created in the CAD system, it forms the natural basis for subsequent engineering and manufacturing activities. The production and transportation of paper in theory can be eliminated, with the added advantage that all concerned are bound to be accessing exactly the same information.

Instead of paper, the information is sent round the plant on a local area network (Cadlinc is using Ethernet) to appear on screens in the form individuals need for their work. The company takes the view that Ethernet is likely to become an industrial standard, but it sees no difficulty in tapping in to other networks.

Most of the computer-aided design majors are pursuing CIM as an extension of their CAD business, but Cadlinc has specialised in it from the start and is able to offer computers, terminals and software that will interface with existing CAD installations. Rather unusually, the company has developed its own 32 bit computer based on the Motorola 68000 microprocessor, and has equipped the machine with 2.8 megabytes of main memory.

> Computer integrated manufacture is a technology which aims to bring together related activities on the shopfloor

The terminals are said to be particularly easy to use, with pop-up menus and icons for the selection of on-screen activity.

Not only can a machine operator call up component drawings, planning sheets, tool designs and part cutting programs, he can also communicate directly with the foreman, programmer, tool store or maintenance department without leaving his place of work. Multiple windows on the screen allow up to seven documents to be viewed at the same time. More on 0602 212523.

Printing

Graphics plotter

GOULD Recording Systems of Mitcham is offering a new range of professional quality colour graphics plotters, the Colorwriter 6300 Series.

Versatility is the keynote. The machine can be provided with either 10 pens for A3 paper or seven pens for A4 and both types can accept a wide variety of pen types (fibre tip, roller ball or liquid draughting ink) to allow writing in a variety of line widths and colours on almost any medium.

Gould claims the units are suitable for precision draughting in any business, scientific or engineering role demanding quality output.

Via RS232 or IEEE 488 interfaces, the 6300 can be connected to virtually any micro, mini or mainframe computer or computerised instrumentation system for fully-automated "on command" plotting. In software terms, the use of a standardised graphics language ensures compatibility with a broad range of business and scientific software, including Lotus 1-2-3, Symphony, Auto-Cad, Chartmaster, Supercalc and many others.

Developed and proved by Gould in the UK, the systems are said to be very reliable. The 10-pen version costs £1 995, the seven-pen instrument £1,495. More on 01-640 5624.

BENEFITS OF COMPUTER DESIGN

Mould making speeds up

BY ELAINE WILLIAMS

A PLASTICS injection mould tool maker is able to produce complex forms quickly with the aid of a computer aided programming system developed by Pathtrace.

D. G. Mortimer and Company, based in Ashford, Kent produced the programs for its two large computer numerically controlled (CNC) milling machines, which make complex cavities and profiles for mould tool components, patterns for die sinking machines and electrodes for the company's electrical discharge machining tools.

The computer system does away with the need to produce patterns and D. G. Mortimer estimates that a 50 per cent saving in time has resulted for the production of electrodues of the discharge machines, for example.

The company explained that even in the case of a relatively simple component such as a pipe clip, several electrodes would have been needed. In a conventional process, this would have involved a week's work producing drawings for each electrode. Using the Pathtrace system, however, the component geometry was entered and a programme produced to enable the complete mould cavity to be made using a single electrode. The electrode was produced in eight hours.

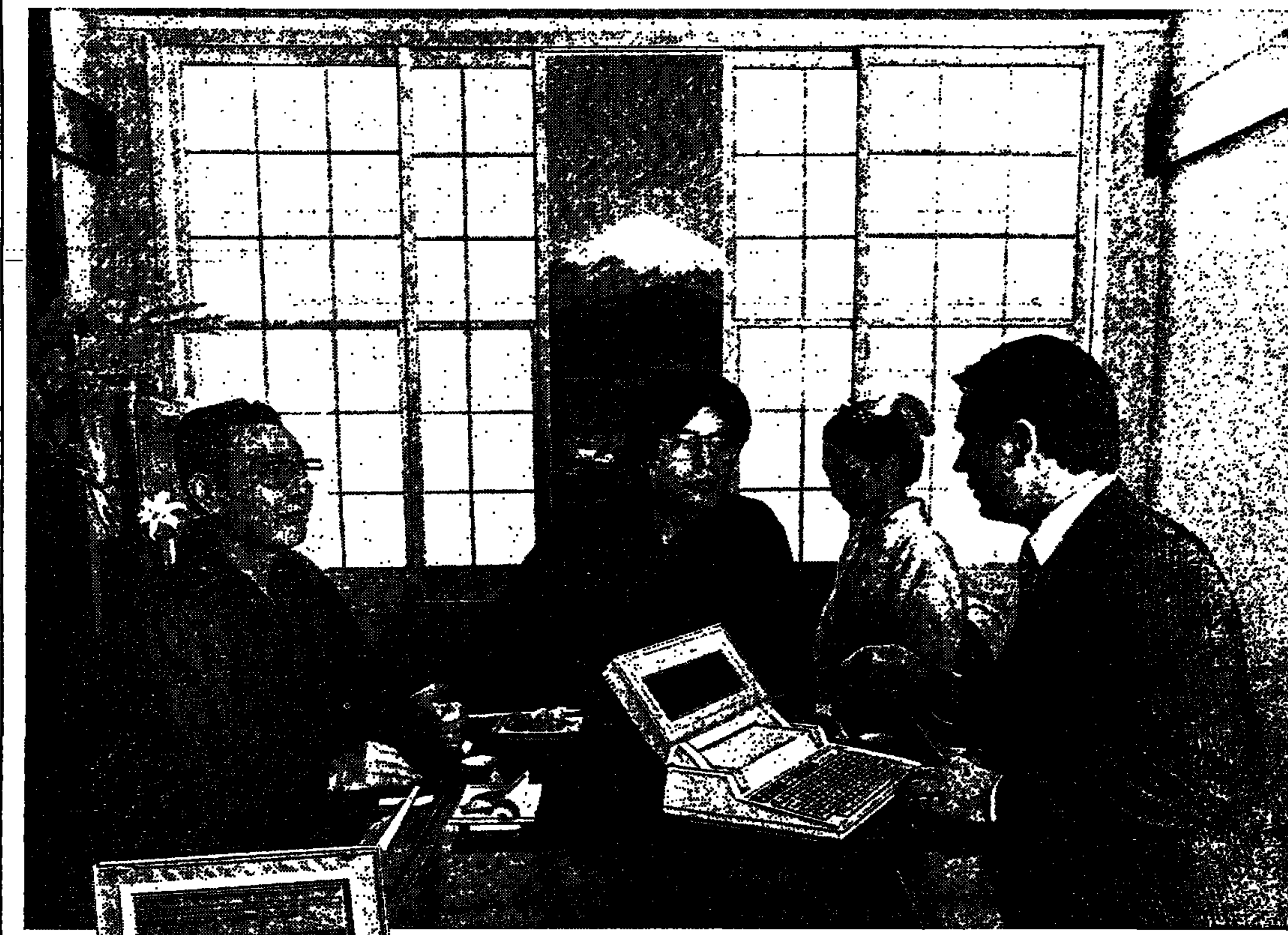
DG Mortimer does a lot of work for toy manufacturers, especially model makers. This involves a high degree of detail on a small component. The Pathtrace system has speeded up the production of model dies while maintaining the detail.

A major part of the company's business is in the manufacture of moulds for plastics construction kits which can contain as many as 250 impressions on a single tool. Other products include computers, cameras and pressure diecasting.

Most of the work is one off so DG Mortimer saves much time in programming by computer. Multi-impressing tools are made by first entering one impress and then repeating it as many times as necessary.

The Pathtrace system is based around standard hardware—the ACT Sirius personal computer which means that DG Mortimer can also process its salaries and other accounting functions as well as carrying out the engineering job.

Since acquiring the system, engineers at DG Mortimer have extended its use. Ofter drawings sent by customers are without full dimensioning and the computer is used for constructing complex shapes with accurate dimensions. Engineers are also working on the development of a programme to calculate the volumes of mould cavities.



BASE LENDING RATES

A.B.N. Bank	12 %	C. Hoare & Co.	†12 %
Allied Irish Bank	12 %	*Hong Kong & Shanghai*	12 %
Amro Bank	12 %	Johnson Matthey Bkrs.	12 %
Henry Ansbacher	12 %	Knowsley & Co. Ltd.	12½%
Armco Trust Ltd.	12½%	Lloyds Bank	12 %
Associates Cap. Corp.	12 %	Mallinhall Limited	10 %
Banco de Bilbao	12 %	Edward Manson & Co.	13 %
Bank Hapoalim	12 %	Meghraj and Sons Ltd.	12 %
BCCI	12 %	Midland Bank	12 %
Bank of Ireland	12 %	■ Morgan Grenfell	12 %
Bank of Cyprus	12 %	Mount Credit Corp. Ltd.	12 %
Bank of India	12 %	National Bk. of Kuwait	12 %
Bank of Scotland	12 %	National Girobank	12 %
Banque Belge Ltd.	12 %	National Westminster	12 %
Barclays Bank	12 %	Norwich Gen. Tst.	12 %
Beneficial Trust Ltd.	13 %	People's Tst. & Sv. Ltd.	13 %
Brit. Bank of Mid. East	12 %	Provincial Trust Ltd.	12½%
■ *Brown Shipley*	12 %	*R. Raphael & Sons*	12 %
CL Bank Nederland	12 %	P. S. Refson	12 %
Canada Perm'nt Trust	12 %	Roxburghe Guarantee	12½%
Cayzer Ltd.	12 %	Royal Bk. of Scotland	10½%
Cedar Holdings	11 %	Royal Trust Co. Canada	12 %
■ Charterhouse Japhet	12 %	■ J. Henry Schroder Wagg	12 %
Choulartons**		Standard Chartered	‖12 %
Citibank NA	12 %	Trade Dev. Bank	12 %
Citibank Savings	¶10½%	TCB	12 %
Clydesdale Bank	12 %	Trustee Savings Bank	12 %
C. E. Coates & Co. Ltd.	12½%	United Bank of Kuwait	12 %
Comm. Bk. N. East	12 %	United Mizrahi Bank	12 %
Consolidated Credits	12 %	Westpac Banking Corp.	12 %
Co-operative Bank	*12 %	Whiteaway Laidlaw	12½%
The Cyprus Popular Bk.	12 %	Williams & Glyn's	12 %
Dunbar & Co. Ltd.	12 %	Wintrust Secs. Ltd.	12 %
Duncan Lawrie	12 %	Yorkshire Bank	12 %
E. T. Trust	12½%		
Exeter Trust Ltd.	12½%		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	11 %		
■ Robert Fleming & Co.	12 %		
■ *Robert Fleming & Co.*	12 %		
Grindlays Bank	‡12 %		
■ Guinness Mahon	12 %		
■ Hambros Bank	12 %		
Heritable & Gen. Trust	12 %		
■ Hill Samuel	§12 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8.75%. 1 month 9.50%. Fixed rate 12 months £2,500 8.75% £10,000 12 months 9.00%.
† 7-day deposits on sums of under £10,000 8¾%. £10,000 up to £50,000 9½%. £50,000 and over 10¼%.
‡ Call deposits £1,000 and over 8¾%.
‖ 21-day deposits over £1,000 10%.
¶ Mortgage base rate.
§ Demand deposits 8½%.
** See Provincial Trust Ltd.

Over-the-Counter Market

Capitalisatn. £000's	Company	Price	Change on week	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
4,855	Ass. Brit. Ind. Ord.	142	—	6.6	4.6	7.9	9.4
—	Ass. Brit. Ind. CULS	149	—	10.0	6.7	—	—
2,952	Airsprung Group	51xd	−2	6.4	12.5	5.6	6.7
1,050	*Armitage & Rhodes*	42	+2	2.9	6.9	5.2	8.7
41,788	Bardon Hill	134	−1	3.4	2.6	13.5	22.5
2,640	Bray Technologies	48	−1	3.5	7.3	5.6	8.0
2,030	CCL Ordinary	173	—	12.0	6.9	—	—
—	CCL 11pc Conv. Pref.	114	—	15.7	13.8	—	—
5,454	Carborundum Ord.	810	+2	5.7	0.7	—	—
—	Carborundum 7.5pc Pf.	86	—	10.7	12.4	—	—
948	Cindico Group	60	−4	—	—	—	—
4,925	Deborah Services	63	—	6.5	10.2	8.0	9.7
16,350	Frank Horsell	254	+14	—	—	10.2	13.4
—	Frank Horsell Pr.Ord.87	220xd	+14	9.6	4.4	8.8	11.6
4,334	Frederick Parker	30	—	4.3	14.3	—	—
904	George Blair	49	—	—	—	3.3	6.6
1,097	Ind. Precision Castings	27	−1	2.7	10.0	7.4	8.0
14,614	Isis Group	191xd	−7	15.0	7.9	7.7	13.7
5,572	Jackson Group	107	+1	4.9	4.6	5.0	9.6
38,133	James Burrough	275	−4	13.7	5.0	9.8	9.8
3,189	James Burrough 9pc Pf	92	−1	12.9	14.0	—	—
8,753	John Howard and Co.	84	−2	5.0	6.0	8.6	12.2
3,189	Linguaphone Ord.	147	—	—	—	—	—
—	*Linguaphone 10.5pc Pf.*	95	−1	15.0	15.8	—	—
16,333	Minihouse Holding NV	600	—	3.8	0.7	43.2	47.2
328	Robert Jenkins	32	—	5.0	15.6	—	—
1,080	Scruttons "A"	28	—	5.7	20.4	14.7	3.4
2,050	Torday & Carlisle	84	−1	—	—	9.0	19.0
1,677	Trevian Holdings	370	—	4.3	1.1	21.4	21.0
3,925	Unilock Holdings	25	−1	1.3	5.2	12.1	17.5
12,154	*Walter Alexander*	95	+2	7.5	7.9	9.4	11.4
5,251	W. S. Yeates	225	—	17.4	7.7	5.4	10.8

Prices and details of services now available on Prestel, page 48146

FINANCIAL TIMES STOCK INDICES

	Jan. 18	Jan. 17	Jan. 16	Jan. 15	Jan. 14	Jan. 11	1984/85 High	1984/85 Low	Since Compilatn High	Since Compilatn Low
Government Secs.	80.06	79.75	80.17	79.97	79.91	80.85	83.77	75.72	127.4	49.18
Fixed Interest	83.98	83.69	84.05	83.90	84.12	85.17	87.48	80.43	150.4	50.53
Ordinary	1004.4	987.2	981.3	961.8	949.3	968.3	1004.4	755.3	1004.4	49.4
Gold Mines	466.3	462.4	460.4	460.1	465.8	474.2	711.7	445.3	734.7	43.5
FT Act.All.Share	614.96	608.39	604.53	594.77	590.17	602.05	614.96	464.84	614.96	61.92
FT SE100	1277.9	1260.4	1254.1	1233.2	1220.5	1248.6	1277.9	986.9	1277.9	986.9

UK COMPANY NEWS

Alexandra Workwear to go public with £11m value

BY ALISON HOGAN

Alexandra Workwear, which manufactures and supplies workwear and careerwear to some 100,000 different customers, is going public with a full listing on the Stock Exchange.

Samuel Montagu is offering *4.23m shares for sale—equal to* 38.7 per cent of the equity—at 100p per share valuing the company at £11.1m. The offer will raise £1.5m of new money for Alexandra, which will be used to develop the business, in particular to finance a new factory in Scotland which will increase output by 50 per cent when it opens in 1986.

The chairman, Mr Granville Davis, said that the company's emphasis on sales and marketing has been a major factor in its success in achieving what it *estimates to be about 11 per cent* of the workwear market.

It has a very wide customer base supplying hospitals, retailers, hotels, pharmaceutical companies and other industrial businesses.

Alexandra has 14 retail outlets, manufactures in Scotland and distributes from a warehouse in Bristol.

The computerised systems means that orders of any of their wide product range can normally be supplied in any size within four to five days.

The directors see their market expanding as more companies adopt career-wear of shirts, blouses and lined suits, in addition to the taditional work-wear of overalls and boilersuits.

The group went through a particularly heavy *period of capital* expenditure for a couple of years from 1978 to expand and update its facilities. The recession then resulted in lower than expected sales and a big dip in pre-tax profits from £224,000 to £13,000 in 1981. The benefits of the modernisation and computer systems have come through since, with productivity, sales and profits increasing each year.

Pre-tax profits in the year to end-January are forecast to be £1.9m, up from £1m, which puts the shares at the 100p offer price on a p/e of 8.9 on a 40 per cent *tax charge. The dividend yield* is 6.4 per cent.

Subscription lists open for the offer on Thursday and dealings are expected to begin a week later. Phillips & Drew are brokers to the offer.

● comment

A consistent programme of capital expenditure has resulted *in a highly efficient operation* at Alexandra Workwear from the computerised pattern grading and cutting to the on-line sales processing systems which gives the company an accurate picture of demand, stocks and supplies. The directors know their market well and keep the product range up to date, managing to phase out old lines without any write-downs. They have 100,000 customers out of a 750,000 mailing list, which they intend to continue to improve on with their sales staff. There are a number of specialist sales divi*sions concentrating on particular* sectors including hospital and medical and public service. A general sales division caters for smaller customers, which include independent chemists, hairdressers and professional firms. *The client list* is large and blue chip, prospects look good. On a p/e of just under 9, the offer *should go* well.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: John Beales, Capital TV Facilities, Real Time Control, Restmor.
Finals: Brooke Tool Engineering, Evode.

FUTURE DATES

Interims—

English Association	Jan 30
Heelamay	Feb 11
Macarthy Pharmaceuticals	Jan 22
McKay Securities	Jan 24
Owen and Robinson	Jan 22

Finals—

Associated Energy Services	Jan 25
Camford Engineering	Jan 24
Sopenhagen Handelsbanken A-S	Feb 13
Edinburgh American Assets Trust	Jan 25

Sturge in line with forecast at £4.9m

In line with a forecast made last May, Sturge Holdings has produced pre-tax profits of £4.9m, against £3.55m for the year to the end of September 1984. Last May the company placed 4.26m shares, or 24.6 per cent of its equity, and forecast profits of about £4.7m and a dividend of 3p, which has also been met.

Earnings per share are shown as 15.8p (9.7p).

For the year turnover moved up from £4.94m to £5.72m.

Profits were subject to tax of £2.31m (£2m) and there were extraordinary credits last time of £426,000. Minorities took £78,000 (£77,000) to leave the attributable balance ahead *from £1.9m* to £2.51m.

Westpool improvement

Total income of investment holding company, Westpool Investment Trust, increased from £1.52m to £1.86m in the six months to October 31 1984 and pre-tax profits came out at £1.47m, against £1.19m last time.

A controlling interest in London Merchant Securities continues to dominate the company's assets. Dividends from LMS rose in the period to £1.44m (£1.2m). Other UK investment income added £60,000 (£48,000), while overseas income was lower at *£66,000 (£72,000)*. Interest receivable climbed from £186,000 to £293,000 and underwriting income contributed £6,000 (£13,000).

Administration expenses were £10,000 higher at £70,000 and interest payable rose from *£273,000 to £325,000*. After tax of £492,000 (£345,000) earnings per share were stated ahead at 0.99p (0.86p). The net interim dividend is maintained at 0.344p —last year's final was 1.036p.

Westpool is a participant in the consortium which has acquired control of Cullens Stores. The transaction will result in the company retaining a significant investment in the new company formed to acquire Cullens.

The existing Cullens business is to be the basis of a substantial chain of convenience stores and while the short term effect may be to reduce Westpool's investment income, the holding is believed to have considerable *revenue and capital growth potential*, the board states.

Rise in premiums at Albany Life

Albany Life Assurance Company, the UK life company within the American General Corporation, reported new annual premiums up nearly 10 per cent from £13m to £14.1m in 1984.

The ending of LAPR resulted in new life annual premiums dropping around 15 per cent from £7.8m to £6.6m. But this was more than offset by a 43 per cent improvement in pensions annual premiums from £5.2m to £7.5m. Both self-employed and executive pensions showed strong growth.

Single premium business, overall, fell nearly 30 per cent from *£71.2m to £51.1m. Sales of linked* premium bonds rose by 22 per cent. But 1983 high level of single premium business arose from promotion of specialised products which were withdrawn early in 1984.

Funds under management rose by a quarter during the year to £334m.

County Props. advances to £5.3m

Taxable profits of £5.33m were achieved by County Properties Group over an extended 18 month accounting period to September 30, 1984. This compares with the £1.93m shown for 1982-83.

The bulk of the profit was atributable to a related company, which contributed £4.82m (£1.98m for 12 months). Net interest payable and similar charges amounted to £1m (£673,000).

Rents receivable totalled £1.18m (£666,000), generating a profit of £1.15m (£647,000), while development work invoiced and sales of development properties produced a profit of £375,000 (loss £27,000) on turnover of £5.8m (£3.88m).

The tax charge was £2.7m (£1.35m), leaving a net balance of £2.63m (£575,000). Stated earnings per "B" shares were shown as 22.7p (3p).

A final dividend of 1.4p has been declared making a total payout of 3.4p for the 18 months compared with a solitary 1.65p payment in 1982-83.

After tax, minorities accounted for £416,000 (£365,000) and extraordinary debits, mainly arising from losses on a property development in Houston, took £964,000 (credit £295,000). Divi*dends* will absorb £347,000 (£178,000).

COMPANY NEWS IN BRIEF

Describing the year 1983-84 as a "major milestone" in the history of Greenall Whitley, Mr Christopher Hatton, the chairman, tells shareholders in his annual statement that the group has "mapped out a positive strategy for at least the next five years."

The past year saw taxable profits of this Warrington-based brewer and hotelier rise by 17.9 per cent to £28.31m on turnover ahead by 11.1 per cent to £287.44m. The group's best performer was its expanding hotels division, which added £2.15m more at £5.11m. The chairman expects that in the current year the full benefit of the investments in U.S. hotels will begin to show through.

He also says that the group's Grand Hotel in Brighton—partially destroyed by the bomb attack during the Conservative Party Conference last October—will be in business again by mid-1986.

* * *

Mr A. A. Green, chairman of United Wire Group, said at the annual meeting that the first quarter was satisfactory and the order book ensured that the present level of activity should continue, certainly to the end of the half year.

"We can, therefore, look forward with confidence to the outcome for the year," he said and added that the current sterling rate of exchange continued to assist export sales.

The group was due to repay *the balance of its U.S. dollar* loan amounting to $1.5m over the next 12 months, but the additional cost was partly offset by the exchange gains being made on dollar exports, said Mr Green.

* * *

Raeburn Investment Trust pushed net revenue up from £2.28m to £2.6m over the 12 months to end-November 1984. The tax charge was £1.41m (£1.46m).

Earnings per share were shown as 9.45p, against 8.26p. The final dividend is up from 5.15p to 6.25p, making a total of 9.5p (8.4p).

* * *

Pre-tax profits moved ahead from £184,378 to £493,080 for the year to end-September 1984 at Abbey Panels Investments.

At the interim stage, Mr E. *Loades, group chairman, was not* "overly optimistic" that the improvement seen in the first half wwould continue, as competition for this group engaged in project design and manufacture of assemblies for space, defence and nuclear engineering programmes was intense.

Some £194,080 of the group's profits were achieved in the second half.

A final dividend of 0.75p is being paid, making a total of 1.5p *for the year. There were no* dividends for 1982 or 1983.

* * *

The following securities have been added to the Share Infor*mation Service:*

CVD Incorporated (Section: Industrials), Hasbro Bradley Inc (Americans), Hawley Group (Industrials), Hospital Corporation of America (Americans), Nationwide Building Society 10¼pc 9/12/85 (Loans-Building Societies), Penny & Giles International (Electricals).

BIDS AND DEALS IN BRIEF

Trafalgar House has acquired oil properties from Crystal Oil Company for $6.6m (£6m).

The properties are located in Texas and include partial working interests in more than 40 wells.

* * *

Prudential Corporation has disposed of 4,149,000 shares (17.28 per cent) in Winterbottom Energy Trust.

* * *

The offers for Aeronautical & General Instruments from Landis & Gyr have become unconditionalin all respects, and remain *open. The acquisition is not* being referred to the Monopolies Commission.

By January 4 Landis & Gyr had received acceptances in respect of 3.65m ordinary *(91.31 per cent) and nearly 122,000* preference shares (81.15 per cent). These included already received irrevocable acceptances of 1.92m ordinary.

Landis & Gyr intends to acquire compulsorily the outstanding ordinary and, if sufficient acceptances come in, the outstanding preference.

* * *

Goal Petroleum has acquired the outstanding shares in Mapco Netherlands Olie-en Gas Exploratie BV, which holds a 3 per cent interest in Netherlands *offshore block K9ab and a 3.02* per cent interest in Netherlands offshore block K9c. Goal already holds working interests in both these blocks and its interest in block K9ab is now 6.635 per cent and in block K9c is 6.17 per cent.

An application for a production licence has been filed for the development on block K9ab of the gas field discovered by well K9-B4.

* * *

Both UK and American merger clearances have been received for Beecham Group's acquisition of British American Cosmetics and completion is expected to take place tomorrow.

Some £104m of the £125m consideration will be satisfied by the issue of 29m ordinary shares in Beecham, which were conditionally placed on December 18. The balance will be financed in cash from Beechams own U.S. dollar resources.

* * *

IMI has agreed, subject to contract, to acquire for cash the capital of Schneider Metal Manufacturing, a private company located in Mason City, Iowa, U.S. The company makes and sells commercial ice-making equipment and ice and beverage dispensing systems.

IMI says the acquisition further strengthens its leading worldwide position through the Cornelius Group in the drinks dispensing and cooling equipment market. Schneider currently has a workforce *of 300*, and achieved sales of $19.7m in 1984.

* * *

Halma has exchanged contracts for the purchase of 95.9 per cent of MAB (Services), and an offer will be made to purchase the remaining 4.1 per cent on the same terms.

MAB, situated in the West Midlands, *is a specialist micro*filming bureau, and made profit before tax in the year ended September 30 1984 of £171,117. Net tangible asset value at that date was £549,394 including net cash balances of £346,085.

The consideration for the purchase of the 95.9 per cent is £715,377, to be satisfied by the issue of Halma ordinary.

Completion will be on January 11. There is provision for a further payment to the vendors calculated by reference to the profit before tax of MAB for the year ending September 30 1985.

The maximum additional payment under this provision is £300,000, payable if the profit for the year in question equals or exceeds £300,000.

* * *

G. M. Firth (Holdings) has purchased 140,000 ordinary shares in Porter Chadburn and now holds 2,366,352 *ordinary* (49.98 per cent).

The stock in trade and goodwill of the Shepherd's spares division of the Chadburn Bloctube subsidiary has been sold to Streatham Engineering. This business is engaged in the sale of diesel engine spares from a location in Hull.

Following the realisation of debtors and the sale of the property it is estimated that total proceeds will be approximately £240,000, which is in excess of book value of these assets.

* * *

A total of 1,077,690 ordinary shares have been issued by Aidcom International in settlement of deferred consideration payments for the aquisition of MAS Seurvey Research and AIM Cambridge.

* * *

Asphurst, a company controlled by Mr A. J. Cross, the chairman of Centreway Industries, has disposed of 100,000 ordinary shares in CWI. Mr Cross now holds 49.8 per cent beneficial interest in CWI.

* * *

The tender offer by Firstland Oil and Gas to purchase up to 82,500 ordinary (26.41 per cent) of Fishermen's Petroleum at a maximum of 63p per share has *been accepted as to 49,500* shares at the maximum tender price.

* * *

The increased ordinary offer by Dixons had, by January 17 been accepted by holders of 41,265,238 Currys (94.8 per cent of the ordinary for which the increased offer was made). Together with the 3m acquired before the increased offer Dixons now holds a total of 44,465,238 Currys ordinary (95.2 per cent).

Dixons intends in due course to acquire compulsorily the remaining Curry ordinary.

The increased preference offer had by the same date been accpted by the holders of 587,587 Currys preference shares (88.9 per cent).

* * *

M & G investment management, as manager of the diversified fund of the UK, has acquired 1.2m Benjamin Priest Group ordinary. These shares are registered by nominees and represent 7.09 per cent of issued ordinary shares.

* * *

Phoenix Property and Finance has received *notification from* Mr D. L. Bloom to the effect that he no longer has a notifiable interest in the company and that he has ceased to act in concert with Mr J. R. Sail.

* * *

Mr Paul Formby, the founder and chairman of SEP Industrial Holdings, in which Baynard Securities makes a market, has sold his entire 6.7 per cent holding in the engineering components company to Alfred Walker, the estate development and investment group.

* * *

N. C. Fabrications, formerly part of the Newton Chambers group and a subsidiary of Central & Sherwood, is now a fully privately owned company. Negotiations for its purchase have been completed in favour of a consortium of senior management and private investors.

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1984-85 High	1984-85 Low	Stock	Closing price p	+ or −	Net dividend	Times covered	Gross yield	P/E ratio
10	F.P.	—	13½	12	[illegible]	13	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
150	F.P.	18/1	225	170	Candover Inv.	212	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	—	100	88	CBO Capital	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	—	26	21	Do. Warrants	26	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	1/2	25	21	Jap. Assets Tst War'nts	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
82	F.P.	1/2	57	54	Kingsley & Forrester	56	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
55	F.P.	6/2	57	53	Optometrics U.S.A.	56	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
92	F.P.	24/1	95	88	Process Systems	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68	F.P.	—	85	68	Quadrax Television	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
158	F.P.	11/1	221	158	Wardle Storeys 10p	221	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
20	F.P.	31/1	25½	20½	Williams (Rex) Leis.5p	21	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984-85 High	1984-85 Low	Stock	Closing price £	+ or −
91.574	£50	10/4	54¼	29½	African Dev. Bank 11¼% Ln. 2010	30¼	[illegible]
100	F.P.	11/1	102¼	100	Comm Bk of Wales 12½% Subdvd Ln 2007	101	[illegible]
[illegible]	F.P.	22/2	124	108	F. & G. Eurotrust 5% Cnv. Ln. '96	124	[illegible]
100	F.P.	22/2	118p	112p	F.R.T. 7.7% Cnv. Cum. Red. Prf.	118p	[illegible]
101	£51	15.2	54	50	Folkestone Dock Prf. Units	50	[illegible]
[illegible]	F.P.	1/2	96	91	Grovebell 7.75% Cnv. Red. Cum. Prf.	91	[illegible]
95.81	£50	19/5	30¼	27½	Int.-Am. Dev. Bk. 9¾% Ln. 2015	29¾	[illegible]
99.181	F.P.	17/1	104½	97¼	Int. Bk. for Recon. & Dev. 11½% Ln. 2003	[illegible]	[illegible]
[illegible]	F.P.	1/2	109	103	Jap. Assets Tst. 6½% Uns. Cnv. Ln. 1996	104	[illegible]
[illegible]	F.P.	1/2	150p	130p	Johnson Matthey 8% Cnv. Cum. Prf.	150p	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Lifecare Intl. 8.5% Cv. Cum. Red. Prf. 1995	[illegible]	[illegible]
9.19199	£10	10/3	29¾	24¼	Lon. Shop Prop. 11½% 1st Mort. Deb. 2012	24	[illegible]
[illegible]	F.P.	—	100¼	96¼	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	—	60p	58p	Simon Engs. 4% Cnv. Red. Prf.	60p	[illegible]
[illegible]	F.P.	—	78p	75p	Do. 6.35% Cnv. Red. Prf.	76p	[illegible]
[illegible]	F.P.	—	85p	85p	Do. 7.75% Cnv. Red. Prf.	85p	[illegible]
1.976	£40	27/3	24½	18½	Sweden 11¼% Ln. 2012	[illegible]	[illegible]
[illegible]	F.P.	—	122p	118p	Tech. for Bus. 7½% Cum. Cv. Red. Prf.	117p	[illegible]
[illegible]	F.P.	8/1	159	125	Tomkins (F. H.) 9½% Cnv. Ln. '94	159	+2

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price p	+ or −
64	F.P.	8/2	75	68	Bairstow Eves 5p	73	[illegible]
60	F.P.	15/2	132	105	Burgess Prods.	117	[illegible]
485	Nil	8/2	170pm	135pm	Carlton Comms.	170pm	+10
85	F.P.	4/2	120	98	Ferry Pickering	99	[illegible]
50	F.P.	1/2	72	65	Guru Mill 5p	70	[illegible]
80	F.P.	1/2	120	95	LCP Hldgs.	113	+1
Fr.18	Nil	—	1pm	1pm	Memory Computer 10p	1pm	[illegible]
24	F.P.	13/2	26	24½	Morris (W.) Fine Arts 40p	25	[illegible]
255	F.P.	8/2	310	295	Pilkington Bros.	310	[illegible]
32	F.P.	—	38	33	Steaua Romana	32	[illegible]
17	Nil	—	51pm	3pm	Walker (C. & W.)	51pm	+24
250cts	Nil	—	70pm	60pm	Westpac $A1	70pm	+5

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *d* Dividend rate paid or payable on part of capital; cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1985. H Dividend and yield based on prospectus or other official estimates for 1984. Q Gross. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ■ Allotment letters or fully-paid. ‖‖ Introduction. ♣ Unlisted Securities Market. § Placing price. † Figures assumed. †† Official London Listing. ‡‡ Dealt in under Rule 535(3). † Comprising 100 Prf. and one Ptg. share.

PENDING DIVIDENDS

Dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements except where the forthcoming board meetings (indicated thus*) have been officially notified. Dividends to be declared will not necessarily be at the amounts in the column headed "Announcement last year."

	Date	Announcement last year		Date	Announcement last year
Allied Colloids	Jan 18	Interim 1.0	*Mercantile House	Jan 22	Interim 3.78
Brown (J.)	Jan 31	Interim nil	Notts Manuf.	Feb 13	Final 4.85
Dasjan	Jan 26	Interim 2.875	*Racal Elecs	Jan 23	Interim 0.73
Dalgety	Feb 13	Interim 11.0	*Rank Org	Jan 29	Final 6.0
First Nat. Fin.	Jan 25	Final nil	Securicor	Feb 15	Final 1.0
*Fitch Lovell	Jan 24	Interim 2.5	Smith (W. H.)	Feb 15	Interim 0.429
Fleet Hldgs.	Feb 14	Interim 1.75	*Union Discount	Jan 30	Final 23
Gold Fields SA	Feb 7	Interim 38cts	Vantona Viyella	Feb 7	Final 5.0
Hogg Robinson	Jan 10	Interim 3.3	Wagon Finance	Feb 10	Final 1.875
*ICI	Feb 28	Sec int 14.0			
*Imperial Group	Feb 14	Final 5.05			
*Lloyds Bank	Mar 8	Final 17.84			
Lonrho	Feb 9	Final due			
Marchwiel	Feb 22	Final 6.0			

* Board meeting intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made. ¶ Forecast.

APPOINTMENTS

United Newspapers group moves

Mr Gordon Linacre, deputy chairman and chief executive, becomes chairman of Link House Publications, of which Mr Clifford Jakes, who is joining the board of UNITED NEWSPAPERS, is group managing director; Mr Linacre continues as chairman of United Provincial Newspapers, but relinquishes the title of chief executive of that division to Mr Michael Toulmin, presently managing director of Sheffield Newspapers. Succeeding Mr Toulmin as managing director of Sheffield Newspapers, is Mr Colin McNamee, who is succeeded, as managing director of Northampton Mercury Company, by Mr David Wright, currently newspaper sales director of Yorkshire Post Newspapers. Mr Tony Shaw, managing director of Blackpool Gazette and Herald; Mr Michael West, managing director of Lancashire Evening Post; Mr David Wright and Mr John Barrett, managing director of Ackrill Newspapers of Harrogate, join the board of United Provincial Newspapers. Mr Jack Gray, managing director of United Provincial Newspapers (Weeklies), joins the board of Link House Publications, and the board of Link House Advertising Periodicals.

★

Mr Stanley H. Burton, the last member of his family on the board of the BURTON GROUP, has stepped down. He has been appointed honorary president of the company founded by his father, Sir Montague Burton. He succeeds as president his younger brother, Mr Raymond Burton, who retired last year.

★

Mr Martin Swindells has become sales director of PEERLESS PLASTIC PACKAGING, a subsidiary of Peerless. He was sales manager for 18 months.

★

KAY PNEUMATICS, a subsidiary of the Instruments and Movements Group, has appointed Mr Jim Hennequin as sales director for the UK.

★

Mr Michael Schofield has been appointed managing director, OFFSHORE PRODUCTION SYSTEMS, a subsidiary of Combustion Engineering. He was with Burmah/BNOC/Britoil in a range of offshore assignments.

★

QBE INSURANCE (UK) has appointed Mr Gordon L. Brown as general manager. He was with the Insurance Company of North America as non-marine director.

★

Mr Gary Mellish has been appointed managing director of ROYLE CITY, City and financial printers.

★

Miss S. J. Charlton has become a non-executive director of LYNDOE. She was an associate director of Status Management Services.

★

Mr B. R. Regan has been appointed from April 1 as group managing director of A.G. STANLEY HOLDINGS, D.I.Y. multiple retailer and wallcovering manufacturer. Mr Malcolm Stanley, currently chairman and chief executive, will continue to serve as the group chairman. Mr Peter R. J. Wood has been promoted to managing director of A.G. Stanley, which operates the retail stores, and Mr J. Kirby will continue as managing director of Fine Art Wallcoverings, the manufacturing company.

★

From January 1 at WARDLEY INVESTMENT SERVICES (UK) *Mr John Symes and Mrs Susan* Symons have been appointed directors; and at WARDLEY UNIT TRUST MANAGERS Mr Geoff Gower, Mr Ben Seebohm and Mr James Wellings become directors. Mr Clive Sherwood has been appointed a non-executive director and consultant. Until recently, he has been actively involved in the management of Wardley's Far East funds, based in Hong Kong.

★

CORRECTION

Mr John Dunbar, an executive director of BSC (Industry), has been appointed a non-executive director of WORDPLEX INFORMATION SYSTEMS.

This week in parliament

TODAY

Commons: Hong Kong Bill, Second Reading. Motion on the District Electoral Areas (Northern Ireland) Order.

Lords: Prosecution of Offences Bill, Committee. Regional Development Grant (Prescribed Percentage, Amount and Limit) Order, motion for approval.

TOMORROW

Commons: Debate on the seupplementary estimates for the EEC Budget. Second Reading of the Education (Corporal Punishment) Bill.

Lords: Food and Environment Protection Bill, Report. Dangerous Vessels Bill, Committee.

Select committees: Education Science and Arts — Subject: Achievement in primary schools. Witnesses: The British Association for Early Childhood Education; The Pre-School Playgroup Association (Room 16, 10.30 am). Defence — Subject: Defence commitments and resources: land systems. Witness: Ministry of Defence (Room 16, 4.45 pm). Parliamentary Commissioner for Administration — Subject: Reports of the Health Services Commissioner. Witnesses: Glasgow Health Board; Bromsgrove and Redditch Health Authority; The Wirral Health Authority (Room 5,5.00pm).

WEDNESDAY

Comons: Opposition Day: Until 7.00 pm debate on the Post Office closures. Afterwards, motions on the Housing Support Grant (Scotland) Order, The Variation Order, and on the Housing Revenue Account Rate Fund Limitations (Scotland) Order. Proceedings on the Consolidated Fund (No. 2) Bill. Motions on financial assistance to Opposition parties.

Lords: Debate on a motion calling attention to the need for the Government to develop economic and social policies which unite the nation; which aim at directly creating employment rather than reducing taxation; which give new life and national pride in the welfare state and encourage motives of social responsibility, rather than self-interest.

Select Committees: Trade and Industry — Subject: Tourism in the UK. Witnesses: Department of Trade and Industry officials (Room 8, 10.30 am). Defence — Subject: Defence commitments and resources: sea systems. Witnesses: MoD officials (Room 16, 10.45 am). Home Affairs —Subject: Special Branch. Witness: Association of Chief Police Officers (Room 5, 4.15 pm). Public Accounts —Subject: Statutory sick pay. Witness: Sir Geoffrey Otton KCB, DHSS (Room 16, 4.15 pm). Transport — Subject: Financing of Public Transport Services. Witnesses: Tyne and Wear County Council and Passenger Transport Executive; Professor Beesley (Room 17, 4.15 pm). Treasury and Civil Service sub-committee—Subject: Financial and economic consequences of UK membership of the EEC. Witnesses: Treasury officials (Room 6, 5.00 pm).

THURSDAY

Commons: Motions on the Rate Support Grant (Scotland) Order and on the Rating of Industry (Scotland) Order.

Lords: Consolidated Fund Bill, all stages. Prosecution of Offences Bill, Committee. Fishing Vessels (Acquisition and Improvement) (Grants) (Amendment) Scheme 1984, motion for approval. Agricultural and Horticultural Grant (Variation) (No 2) Scheme 1984, motion for approval.

Select committees: Agriculture — Subject: The organisation and financing of the Anjeszky's Disease Eradication Scheme. Witness: Pig Disease Eradication Fund Company; Anjeszky's Study Group (Room 16, 10.45 am). Energy — Subject: UK gas depletion policy. Witness: British Gas Corporation (Room 6, 11.00 am).

FRIDAY

Commons: Private Members' Bills.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The board meetings are mainly for the *purpose* of considering dividends and official indications are not always available whether dividends concerned are interims or *finals. The sub-divisions shown below are based mainly on last* year's timetable.

TODAY

COMPANY MEETINGS—
Barlow Rand, Barlow Park, Katherine Street, Sandton 12.00
Dundee & London Inv Tst, Royal Exchange, Dundee, 12.00
Hunslet (Holdings), 125, Jack Lane, Leeds, 10.30
Murray Growth Trust, 163, Hope Street Glasgow, 11.00

BOARD MEETINGS—
Finals:
Brooke Tool Engineering
Evode
Interims:
Beales (John)
Capital TV Facilities
Real Time Control
Restmor

DIVIDEND & INTEREST PAYMENTS—
Argyll Group 2.1p
Atkins Bros (Hosiery) 1.35p
Burnett and Hallamshire 4p
Castings 1p
Dawson Intnl 2.6p
Erskine House 0.6p
Fleming Fledgeling Inv Tst 6¼pcDb Stk 1988-93 3.125pc
Lees (John J.) 0.9p
Lep Group 1.25p
Royal Bank of Scotland Group 5.2p
Sarasota Technology 0.7p

TOMORROW

COMPANY MEETINGS—
Cosalt, Fish Dock Road, Grimsby, 10.30
Leeds Group, Post House, Bramhope, Leeds 12.00

BOARD MEETINGS—
Finals:
Crescent Japan Inv Tst
Energy Resources & Services
Habit Precision Engineering
Kunick Leisure
Lincroft Kilgour
Norfolk Capital
Interims:
Copson (F.)
Hampson Industries
Mercantile House
Owen & Robinson
Scottish English & European Textiles
Stone Intnl
Transcontinental Services
United Packaging

DIVIDEND & INTEREST PAYMENTS—
Dundee and London Inv Tst 3.2p
Exchequer 13¼pc Stk 1987 6.75pc, 12pc Stk 1999-2002 6pc
F. and C. Alliance Inv 0.55p
Hydro Quebec Fltg Rate Nts Sers FM Jan 1994 $668.78
Industrias Penoles SA De CV Fltg Rate Nts 1989 $310.07
LPA Industries 1.4p
Long-Term Credit Bank of Japan Gtd Fltg Rate Nts 1989 $672.03
Lucas Industries 6p
Marling Industries 0.6p
Marston Thompson and Evershed 0.622p
Rowlinson Securities 0.18125p
Sweden (Kingdom of) 13.5pcLn Stk 2010 (Reg) 6.75pc 13.5pcLn Stk 2010 (Br) 6.75pc
Treasury 12¾pcLn 1992 6.375pc, 14pc Stk 1998 7pc, 13¼pcLn 1997 6.625pc, 11¾pc Stk 2003-07 5.875pc

WEDNESDAY JANUARY 23

COMPANY MEETINGS—
Devenish (J. A.), The Brewery, Hope Square, Weymouth, 12.15
MEPC, Hyde Park Hotel, 66, Knightsbridge, SW, 12.00
Whessoe, St Ermins Hotel, Claxton Street, SW, 12.00

BOARD MEETINGS—
Finals:
Anglia Television
Bootham Engineers
First National Finance Corporation
First National Securities
Lookers
Interims:
Barrie Investments & Finance
Bevan (D.F.)
Caledonian Associated Cinemas
Estates Property Investment
Geller (A. & J.)
Parkdale
Park Food
Racal Electronics
Saville Gordon (J.)
Somportex
Stewart Plastics

DIVIDEND & INTEREST PAYMENTS—
Caffyns 2.2p
Hill Samuel Group Fltg Rate Nts 1992 $86.44
Murray Growth Trust 1p
Offshore Mining Corp Fltg Rate Nts 1986 $66.12
Panama (Rep of) Fltg Rate Ser Nts 1991 $581.07
Trafalgar House 5.3p

THURSDAY JANUARY 24

COMPANY MEETINGS—
Bass, Bloomsbury Crest Hotel, Coram Street, WC, 12.00
Rank Hovis McDougall, Great Queen Street, WC, 12.00
Vaux Group, Seaburn Hotel Sunderland, 12.00

BOARD MEETINGS—
Finals:
Allied Textile
Camford Engineering
Denmans Electrical
Derby Tst
KLP
St Andrew Tst
Interims:
Fitch Lovell
Global
Hallite
Kenyon Securities
McKay Securities
Newmark (Louis)
Property Security Inv Tst
Stroud Riley Drummond

DIVIDEND & INTEREST PAYMENTS—
Associated Heat Services 3.3p
Bremner 0.5p
Cosalt 0.5p
Devenish (J. A.) 9.25p
Fenner (J. H.) 3p
Henderson Administration Group 4p
MEPC 6.5p
Rothmans Intnl B 2.2p
Sweden (Kingdom of) Fltg Rate Bds 1991 $136.56

FRIDAY JANUARY 25

COMPANY MEETINGS—
Cooper (Frederick), Goldthorn Hotel, Penn Road, Wolverhampton, 12.00
Pericom, Pericom House, Rockingham Drive, Milton Keynes, 12.00
Reliant Motor, Two Gates, Tamworth, Staffordshire, 12.00
Tyne Tees Television, Television Centre, Newcastle upon Tyne, 3.00

BOARD MEETINGS—
Finals:
Associated Energy Services
Commercial Bank of Wales
Edinburgh American Assets Tst
Ruo Estates
Interims:
Cantors
Imry Property
Neepsend
Wholesale Fittings

DIVIDEND & INTEREST PAYMENTS—
Anglo American Corp of South Africa 15.23092p
BPB Industries 3.1p
Bank of Ireland Fltg Rate Cap Nts 1992 $664.44
Bankers Trust New York 67.5cts
Bermuda Intnl Bond Fund 30cts
CPC Intnl 55cts
Carr's Milling Industries 3.75p
Cement-Roadstone 7pcRedCumPf 2.275p
Century Oils Group 1p
Chapman Industries 2.3p
Debenhams 7¼pcUnsLn Stk 2002-07 3.625pc, 7¾pcUnsLnStk 2002-07 3.875pc
Formdesign 1.26p
General Electric Company 55cts
Harris (Philip) 3p
Hasbro Bradley 0.0375cts
Hewden-Stuart Plant 10pcCnvUnsLnStk 2003-08 5pc
Hunslet (Hldgs) 8.5p
London and Midland Industrials 4.25p
Manufacturers Hanover Corp 80cts
NCR Corp 20cts
Pericom 1.3p
Property Hldg and Inv Tst 0.89p
Radio Clyde Non-Vtg 2p
Rank Hovis McDougall 2.756p
Saul (B. F.) Real Estate Inv Tst 5cts
Shires Investment 1.5p
Sterling Guarantee Trust 0.5p
Thorpac Group 1p
Treasury 2pc Index-Linked Stk 1990 £1.0512, 12pcStk 1995 6pc, 13¼pc Stk 2000-03 6.875pc
West's Group Intnl 2.5p, 4.9pcPf 2.45p
Westpac Banking Corp A$0.13
Whessoe 3p
Yarrow 8.5p

SATURDAY JANUARY 26

DIVIDEND & INTEREST PAYMENTS—
Treasury 7¾pcLn 1985-88 3.875pc, 7¾pcLn 2012-15 3.875pc, 2½pc Index-Linked Stk 2016 1.3625p

SUNDAY JANUARY 27

DIVIDEND & INTEREST PAYMENTS—
Housing Finance Agency 2pc IndexLinked Stk 2008 1.98p

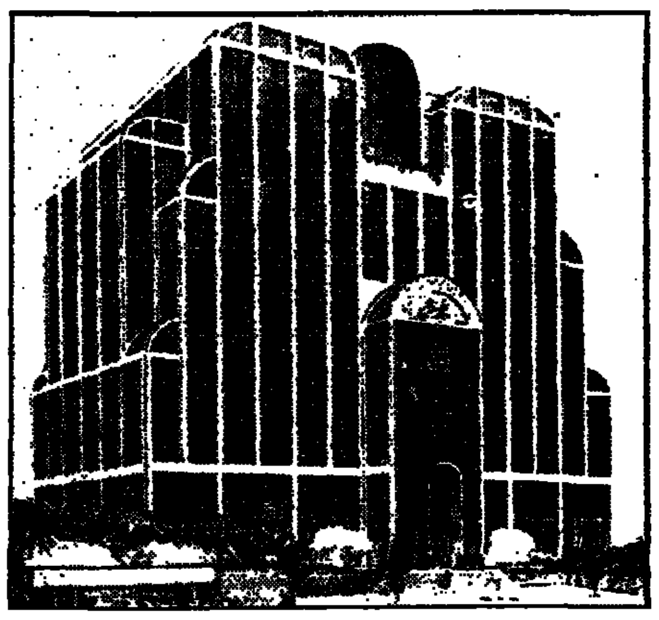
CONSTRUCTION CONTRACTS

McCarthy & Stone head office

BY JOAN GRAY, CONSTRUCTION CORRESPONDENT

McCARTHY AND STONE, the company which pioneered the market for building private sheltered houses and flats for sale to the elderly, is building itself a £6m ten-storey 62,700 sq ft headquarters in Bournemouth.

The company is funding the development itself, from retained profits. It is debating whether to retain the freehold itself on completion or sell to an institution and lease the building back. The company is in negotiation with a potential buyer.



Artist's impression of McCarthy & Stones "art deco" head office under construction in Bournemouth.

The bronze glass and cream mullioned art deco style building, approached by sweeping steps between cascading waterfalls, was designed by the Headley Greentree Partnership.

Due to be completed by June 1986, it will provide accommodation for more than two hundred staff.

McCarthy and Stone — which currently employs 60 headquarters staff—will occupy the entire building aside from a car showroom and offices on the ground floor, which have been pre-let to the site's previous owner, Rolls-Royce dealers Arnetts.

The company needs the extra space to "house our expanding staff as our activities caring for the elderly grow," said finance director Mr John Begbie.

McCarthy and Stone builds and manages sheltered flats and nursing homes for the elderly, and also manages similar developments for other organisations.

Turnover for the year ending August 1984 was £21.6m, with pretax profits of £6.8m, following a turnover of £13m and pretax profits of £3.7m for the year ending August 1983, and £6m turnover and £2.1m pretax profit for the year ending August 1982.

E. Ireland has £10.5m orders

An unusual superstore at Eastville, Bristol, which has its roof supported by stressed cables is among contracts worth £10.5m won by ERNEST IRELAND CONSTRUCTION, Bath, part of the Mowlem group. The contract for the 7,565 sq metres superstore, awarded by Bristol Stadium, is valued at £3.7m. The store, already let to Tesco, will be built on piled foundations, with a structural steelwork frame comprising a mast and stressed cable supported roof structure tied together with a grid of castellated beams and tubular trusses. External work will include the construction of a road bridge across the River Frome, a car park for Bristol Stadium, access roads and the installation of street lighting. Work has started for completion at the end of 1985.

At Winfrith, Dorset, Ernest Ireland has won a £1.65m contract from Dorset County Council for phase 2 of a police headquarters. Work comprises a 1,500 sq metres, three-storey steel-frame county police administration and headquarters building clad with facing brickwork and aluminium colour-clad sheeting for the upper elevations, with a 550 sq metres single-storey, brick-clad canteen and welfare block.

At Segensworth, Hampshire, the company is building a 4,500 sq metre transport and distribution centre, under a contract worth £971,000, for GUS Transport, part of the Great Universal Stores group. The development is principally based on expansion of the White Arrow household delivery service into the Hampshire and West Sussex areas. Of steel-frame construction, the centre is to be clad with low level facing brick capped with PVC coated profiled steel sheeting. Work has started for completion in May 1985.

Other contracts awarded to Ernest Ireland include: Phase 2, Blandford Community Hospital, Dorset, for Wessex Regional Health Authority. Valued at *£619,000, this consists of refur*bishment of the existing cottage hospital. In Bath, the company is demolishing an existing building at 15-16 Royal Crescent Mews, known as The Dover House, and rebuilding in Bath stone to form conference rooms and bedrooms under a £750,000 contract from Blakeney Hotels, owner of the Royal Crescent Hotel. Ernest ILreland's specialist work department has won a variety of contracts, together worth £1.2m. Work includes alterations and extensions to The Priory Hotel, Bath; Bristol Gramar School; and Lloyds Bank, Cirencester. At Cheltenham, alterations and refurbishment are being carried out to County House for National Mutual Life Assurance. In Swindon, the company has won a design and build contract worth in excess of £450,000 for a complex of warehouses and prestige offices totalling 19,000 tq ft for Childs Play (International).

£10.5m batch for Gray

CHARLES GRAY (BUILDERS), Dundee, has received work worth £10.5m. The contracts include new build and modernisation work in the housing, health, industrial and commercial sectors throughout Scotland from Aberdeen to Gorebridge and Paisley.

Heading the list is a £1.9m contract for sheltered housing at Bannockburn for Margaret Blackwood Housing Association. Other contracts include a £1.5m order for the modernisation of Atholl Houses at Gorebridge for Scottish Special Housing Association; a £1.25m modernisation of 124 houses at Johnstone for Renfrew District Council and private housing developments at Forebank Road, Dundee, Phase II of The Maltings, Montrose, for Charles Gray Homes costing £1.4m.

★

ALLEN-FOX CONSTRUCTION, a member of the Wigan-based Allen Group, has been awarded design and build contracts for a warehouse and office extension at Skelmersdale for Fibracan, value £735,000; nurses residences at North Sefton General Hospital, Southport, for Merseyside Regional Health Authority, value £515,000; mentally handicapped ward, *Olive Mount Hospital for* Liverpool Health Authority, value £192,000; and a factory at Littleborough for Jackdaw Polymers, value £291,000. Allen-Fox has also been awarded the maintenance term contract at Salwick for British Nuclear Fuels, and a finished fuel store extension, value £174,000, for the same client.

★

The Trent Regional Health Authority has awarded FAIRCLOUGH BUILDING contracts worth nearly £1.7m for projects at Chesterfield and North Derbyshire Royal Hospital. The contracts cover construction of a laundry and a two-bay extension to the hospital's boilerhouse. Both will be completed by spring 1986. A single-storey structure with two mezzanine floors, the laundry will be built on a steel frame with metal decking and metal/brick cladding. Also erected on a steel frame, the boilerhouse extension will have brick/block walling and an asphalt wood-wool roof.

★

BALFOUR BEATTY CONSTRUCTION has been awarded a £5.69m contract by the National Coal Board for civil works at Asfordby New Mine, nr Melton Mowbray, Leicestershire. The contract involves earthworks and construction of a stockyard, car park, roads, reinforced concrete reservoir, balancing and settling tanks, pipe and box culverts, drainage, services, wheel wash, sewage treatment plant and a sub-station. Work commences shortly with a 113-week construction period.

★

Office refurbishment contracts totalling £2.5m have been awarded to COMPLEX INTERIOR SYSTEMS. The two largest undertakings are for Nikon (UK) and Citibank Savings at £500,000 each.

Wates wins £6.5m work

WATES SPECIAL WORKS has won a clutch of contracts mainly from the private sector. At Hammersmith Tower in Shepherds Bush Road an office refurbishment for Standard Life Assurance Co will cost £327,000 while at 56, High Street, Wimbledon, offices are being altered and refurbished under a £556,000 contract for Wates Systems. At the Whitgift Centre, Croydon, Barclays Bank Trust has awarded the first stage of the refurbishment, providing five shop units and an exhibition area formed by the conversions of basement, ground and upper ground levels at Rothschild House. At a cost of around £900,000 the 30-week scheme commences shortly. Salomon Brothers International has placed fitting out contracts for the 16th, 17th and 18th floors of 1, Angel Court, EC2, at a figure of £782,00 and the four-month contract is calling for round-the-clock working. Due to start at the end of January and complete within 58 weeks, the scheme will cost £1.1m. At Kensington Court a £1.5m project project for reconstruction and refurbishing of offices has been let by New England Developments. The Special Trustees of St Tomas' Hospital have awarded a contract for construction of a new day centre with facilities for the elderly at Rutford Road, Streatham. Valued at £668,000, construction has commenced and the scheme is scheduled for completion in July 1985. At Raymond Buildings, Grays Inn, a £657,000 office refurbishment contract commences this week. The project, for the Hon Society of Grays Inn, will run for 40 weeks.

★

Building contracts totalling £9m have been won by MILLER BUCKLEY CONSTRUCTION. They include a £2.4m factory for Barker Shoes at Earls Barton near Northampton. This 12-month contract is for a 5,536 sq metre factory and warehouse building with an additional 1,027 sq metres of offices. A feature will be an actagonal stone-clad building for display of the Barker range of footware. At Basingstoke, the company has a contract worth £1.3m for construction of a distribution centre for National Westminster Bank and at Wokingham the company is building a high quality office development in three blocks for Co-Partnership Property Developments (part of the Rosehaugh Group) in a contract worth almost £1m. Solartron Instruments, a division of Schlumberger Electronics UK, has awarded a £1.7m contract for a two-strey extension to a factory estate at Farnborough, Hants. Other work includes a £1.5m building at Swindon to house a new Bible centre for the Bible Society. In London, work has started on a £700,000 extension to the West Hendon telephone exchange for the PSA, to be carried out in 78 weeks.

★

WAREHOUSE PLANNING, Berkhamstead, has been awarded a contract worth nearly £250,000 by Birds Eye Wall's for a mezzanine to be built in its cold store at Elstree, operating at temperatures down to minus 30 deg C. This store is one of the regional distribution centres, and the mezzanine forms part of the site development programme.

Closing prices, January 18

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

B-B-B

C-C-C

D-D-D

E-E-E

F-F-F

G-G-G

H-H-H

I-I-I

J-J-J

K-K-K

L-L-L

M-M-M

N-N-N

O-O-O

P-Q

Continued on Page 21

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AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Closing prices, January 18

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 22

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 20

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49⅝	28¾	Zayre	.40b	.8	13	369	49½	48¾	48⅞	+⅛
38⅝	18⅛	ZenithE			7	1521	21⅞	21¼	21⅜	−⅛
26	18	Zero	.40	1.7	17	65	23⅝	23¼	23¼	−⅛
29⅞	21⅛	Zurnin	1.32	4.6	11	134	29¼	29	29	−½

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

OVER-THE-COUNTER

Nasdaq national market, closing prices January 18

Continued on Page 23

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 21

CANADA

TORONTO

Closing prices January 18

MONTREAL

Closing prices January 18

DENMARK

1984-85 High	Low	Jan. 18	Price Kmr. %
362	216	Andelsbanken	265
720	510	Baltic Skand	565
350	207	CopHandelsbank	264
850	460	D. Sukkerfab	485
335	205	Danske Bank	264
1,900	930	De Danske Luft	1,120
218	129	East Asiatic	140
1,250	720	Forenede Brygg	795
153	65	Forenede Damp.	95
700	352	GNT Hldg	372
725	340	I.S.S.B.	345
760	443	Jyske Bank	509
3,150	1,200	Novo Ind.	1,495
372	203	Privatbanken	229
370	283	Provinsbanken	313
300	200	Smidth (F.)	219
1,375	845	Sophus Berend	909
588	404	Superfos	428

NORWAY

1984-85 High	Low	Jan. 18	Price Kroner
190	140	Bergens Bank	164
385	215	Borregaard	368
190	139	Christiania Bk.	161
188.5	142	Den Norsk Credit	165
187.5	106	Elkem	132
178.5	132.8	Kvaerner	172.5
400	253	Norsk Data	397.5
137.5	95	Norsk Hydro	107.5
272.5	178	Storebrand	255

BELGIUM/LUXEMBOURG

1984-85 High	Low	Jan. 18	Price Frs.
2,085	1,670	B.B.L.	1,800
5,600	4,865	Banq. Int. A. Lux	5,530
6,000	3,105	Bekaert B.	4,400
2,800	2,010	Ciment CBR	2,470
328	175	Cockerill	250
6,050	4,750	Delhaize	5,645
2,920	2,290	EBES	2,770
8,800	5,850	Electrobel	6,000
2,425	1,800	Fabrique Nat	2,085
3,595	2,925	GB Inno BM	2,935
2,800	1,990	GBL (Brux)	1,990
3,935	2,970	Gevaert	3,595
6,480	4,860	Hoboken	5,960
3,000	1,805	Intercom	2,040
7,740	6,280	Kredietbank	7,650
10,350	8,950	Pan Hldgs	10,100
8,210	6,010	Petrofina	6,670
10,500	7,320	Royale Belge	10,150
3,500	2,885	Soc. Gen. Banq	3,305
1,940	1,600	Soc Gen. Belge	1,805
8,340	5,190	Sofina	6,910
4,500	3,430	Solvay	4,010
1,520	1,050	Stanwick Intl.	1,450
4,300	3,125	Tractionel	3,750
6,490	3,940	UCB	4,925
2,670	1,865	Wagon Lits	2,200

ITALY

1984-85 High	Low	Jan. 18	Price Lire
19,750	14,100	Banca Com'le.	18,000
192	89	Bastogi IRBS	177.5
2,596	1,418	Centrale	2,595
5,655	3,511	Credito Varesino	4,199
4,625	1,675	Fiat	2,349
59	27	Finsider	55
39,300	29,070	Generali (Assic.)	37,000
3,485	2,621	Invest	2,925
78,000	40,500	Italcementi	77,900
574	345	La Rinascente	574
1,463	1,112	Montedison	1,463
6,550	3,865	Olivetti	6,560
3,695	2,464	Pirelli Co	3,696
2,111	1,419	Pirelli Spa	2,111
2,410	1,336	Snia BPD	2,410
14,600	10,750	Toro Assic.	13,940
11,310	8,060	do. Pref	10,700

NETHERLANDS

1984/85 High	Low	Jan. 18	Price Fls
215	163	ACF Holding	196
161	107	AEGON	159.5
236	168.5	Ahold	205.5
123.2	77	AKZO	101.5
445	202	ABN	375
228.5	141.9	AMEV	225.3

FRANCE

GERMANY

AUSTRALIA

AUSTRIA

SWEDEN

JAPAN

SINGAPORE

SWITZERLAND

HONG KONG

SPAIN

SOUTH AFRICA

WORLD STOCK MARKETS

OVER-THE-COUNTER

Continued from Page 22

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					

Indices

NEW YORK — DOW JONES

	Jan. 18	Jan. 17	Jan. 16	Jan. 15	Jan. 14	1984-85 High	1984-85 Low	Since Compil'n High	Since Compil'n Low
♦Industri'ls	1227.39	1228.98	1230.68	1230.79	1234.54	1286.64 (6/1/84)	1086.57 (24/7)	1287.20 (29/11/85)	41.22 (2/7/32)
H'me Bnds	73.17	73.04	72.68	72.56	72.53	73.04 (17/1/85)	64.81 (25/6)	—	—
Transport	577.72	584.70	598.22	591.78	588.02	612.63 (9/1/84)	444.05 (25/7)	612.63 (9/1/84)	12.32 (8/7/32)
Utilities	147.57	147.57	148.59	148.39	148.34	149.98 (18/12)	122.25 (15/6)	163.72 (20/4/69)	10.5 (28/4/42)
TradingVol 000-†	104,720	113,550	135,520	155,260	124,880	—	—	—	—

♦Day's High 1237.63 (1234.65) low 1219.52 (1219.74)

	Jan. 11	Jan. 4	Dec. 21	year ago (approx)
Industrial div. yield %	4.94	5.08	4.89	4.29

STANDARD AND POORS

	Jan. 18	Jan. 17	Jan. 16	Jan. 15	Jan. 14	1984-85 High	1984-85 Low	Since Comp'ln High	Since Comp'ln Low
Indust'ls	191.25	190.54	191.01	190.53	190.28	191.48 (6/11)	167.74 (24/7)	194.84 (10/10/83)	3.62 (30/6/32)
Comp's'te	171.32	170.73	171.19	170.81	170.51	171.32 (18/1/85)	147.82 (24/7)	172.15 (8/10/83)	4.40 (1/6/23)

	Jan. 9	Jan. 2	Dec. 26	year ago (approx)
Industrial div. yield	4.15	4.14	4.11	3.68
Industrial P/E ratio	10.31	10.32	10.42	13.74
Long Gov. Bond yield	11.40	11.68	11.58	11.66

N.Y.S.E. ALL COMMON

Jan. 18	Jan. 17	Jan. 16	Jan. 15	1984-85 High	1984-85 Low
99.04	98.75	98.90	98.59	98.90 (16/1/85)	85.15 (24/7)

Rises and Falls

	Jan. 18	Jan. 17	Jan. 16
Issues Traded	2,004	1,994	2,038
Rises	964	809	1,085
Falls	589	734	536
Unchanged	451	451	417
New Highs	—	114	164
New Lows	—	6	10

TORONTO

	Jan. 18	Jan. 17	Jan. 16	Jan. 15	1984-85 High	1984-85 Low
Metals & Minerals	1981.8	1995.8	1996.2	1980.3	2524.4 (12/1/84)	1641.8 (25/7)
Composite	2419.6	2412.1	2406.3	2384.1	2585.7 (6/1/84)	2079.7 (24/7)
MONTREAL Portfolio	121.70	121.48	120.81	120.17	126.85 (10/1/84)	100.56 (24/6)

	Jan. 18	Jan. 17	Jan. 16	Jan. 15	1984-85 High	1984-85 Low
AUSTRALIA						
All ord. (1/1/80)	746.4	757.8	754.8	754.8	787.8 (9/1/84)	548.3 (18/6)
Metals & Minls. (1/1/80)	427.6	417.0	408.2	407.3	587.4 (5/1/84)	395.6 (7/1/85)
AUSTRIA						
Credit Aktien (2/1/62)	58.38	58.25	58.55	58.52	58.57 (28/12)	55.20 (15/8)
BELGIUM						
Brussels SE (1/1/80)	2080.7	2108.58	2129.14	2151.26	—	—
DENMARK						
Copenhagen SE (3/1/83)	165.08	161.70	161.01	160.43	225.21 (20/1/84)	158.44 (8/1/85)
FRANCE						
CAC General (31/12/82)	190.1	190.1	189.9	189.9	190.1 (17/1/85)	155.6 (3/1/84)
Ind Tendance (28/12/84)	105.9	104.1	105.6	105.6	105.6 (16/1/85)	100.0 (28/12/84)
GERMANY						
FAZ Aktien (31/12/58)	402.73	398.12	396.29	391.55	402.73 (18/1/85)	317.17 (25/7)
Commerzbank (1/12/53)	1167.9	1151.8	1149.5	1137.7	1167.9 (18/1/85)	917.7 (25/7)
HONG KONG						
Hang Seng Bank (31/7/64)	1560.55	1588.42	1568.91	1551.80	1588.42 (17/1/85)	746.02 (13/7)
ITALY						
Banca Comm Ital. (1972)	255.48	250.15	250.27	248.83	255.4 (18/1/85)	182.08 (2/1/84)
JAPAN**						
Nikkei-Dow (16/5/49)	11918.06	11897.2	11933.0	(c)	11933.0 (16/1/85)	9703.35 (23/7)
Tokyo SE New (4/1/68)	932.65	934.16	935.77	(c)	935.77 (16/1/85)	758.4 (4/1/84)
NETHERLANDS						
ANP-CBS General (1970)	190.4	191.8	191.4	190.5	191.4 (16/1/85)	146.8 (25/7)
ANP-CBS Indust (1970)	155.5	155.4	155.2	152.2	155.5 (18/1/85)	116.7 (18/6)
NORWAY						
Oslo SE (4/1/83)	311.07	308.29	311.53	314.51	314.51 (15/1/85)	221.87 (4/1/84)
SINGAPORE						
Straits Times (1966)	771.01	769.96	764.36	770.16	1071.9 (8/2)	764.4 (16/1/85)
SOUTH AFRICA						
Gold (1958)	1043.3	1028.0	1014.8	1026.0	1095.0 (19/11)	758.1 (24/1/84)
Industrial (1958)	902.6	903.5	902.8	903.5	1105.5 (26/3)	855.5 (19/9)
SPAIN						
Madrid SE (28/12/84)	110.22	109.25	108.67	108.88	110.22 (18/1/85)	100.00 (28/12/84)
SWEDEN						
Jacobson & P (1/1/58)	1446.74	1458.90	1426.80	1414.01	1594.5 (3/2)	1302.99 (22/11)
SWITZERLAND						
Swiss BankCpn. (31/12/58)	408.4	406.6	404.7	405.4	408.4 (18/1/85)	334.5 (25/7)
WORLD						
Capital Intl. (1/1/70)	—	189.9	190.2	189.5	190.8 (3/5)	183.2 (14/12)

** Saturday January 12: Japan Nikkei-Dow (c). TSE (c).

Base values of all indices are 100 except Australia All Ordinary and Metals—500, NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. (u) Unavailable.

NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
AMR	2,427,700	33⅞	−1⅛	Delta Air	1,248,500	41⅛	−1⅛
ATT	1,725,700	20½	—	IBM	1,158,300	124⅛	+½
Castle & Cooke	1,565,700	15⅜	−⅛	Schlumberger	980,300	36⅝	−⅛
Fin. Cp. Am.	1,369,300	10⅝	+⅞	Mobil	907,500	27⅛	+⅛
United Air.	1,368,500	43⅛	−2⅛	Amer. Express	904,700	38	+⅛

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					

FT UNIT TRUST INFORMATION SERVICE

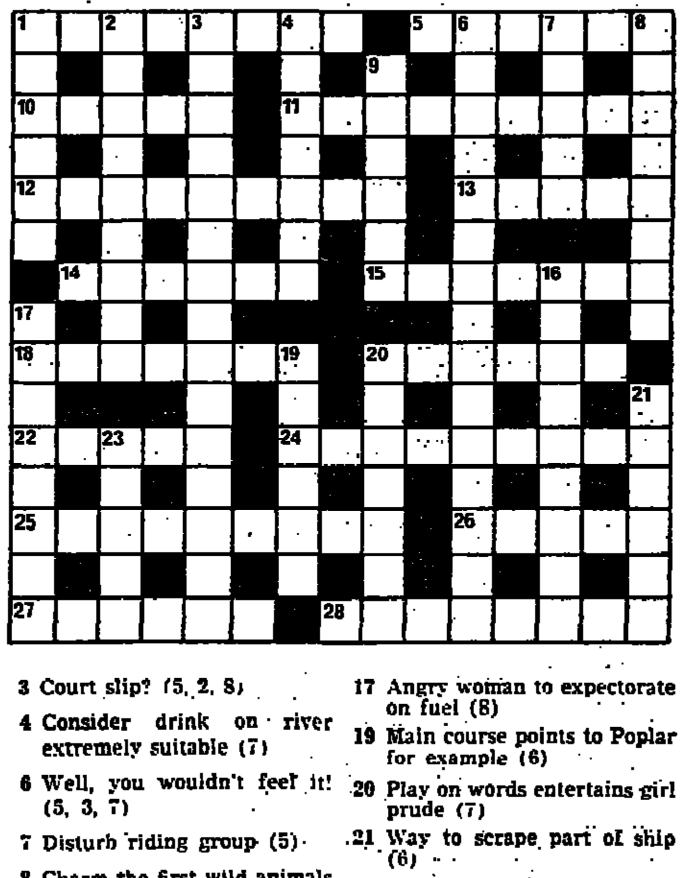
AUTHORISED UNIT TRUSTS

[illegible]

INSURANCES

[illegible]

F.T. CROSSWORD PUZZLE No. 5,623



ACROSS

1 Wayward through poetry (8)

5 Time of the year to be majestic (6)

10 He makes an effort in West Germany (5)

11 Poster in French city a student sees related to heaven (9)

12 Tender Conservative gives prayers (9)

13 Values unopened boxes (5)

14 It's of little importance on board perhaps (6)

15 Chained excited ant-eaters (7)

18 Before money due possibly make overture (7)

20 Prisoner and the German create dust (6)

22 Number of horses heading *off in Hertfordshire* (5)

24 Great man arranged time to see Xanthippe (9)

25 Carry out a piece of equipment (9)

26 Part of Duchy enamoured by beast (5)

27 Willing not to start property development (6)

28 "And rifted rocks whose —— leads to hell" (Milton) (8)

DOWN

1 Boy supports Irishman—he is a customer (6)

2 Sup port when together (9)

3 Court slip? (5, 2, 8)

4 Consider drink on river extremely suitable (7)

6 Well, you wouldn't feel it! (5, 3, 7)

7 Disturb riding group (5)

8 Charm the first wild animals (8)

9 Gravy container brought back in lively grand style (6)

16 *Inge accepts characters in a* deal appear artistic (9)

17 Angry woman to expectorate on fuel (8)

19 Main course points to Poplar for example (6)

20 Play on words entertains girl prude (7)

21 Way to scrape part of ship (6)

23 Fashionable place for data (5)

The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

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INSURANCE, OVERSEAS & MONEY FUNDS

Liberty Life Assurance Co Ltd.
Station Rd, New Barnet 01-440 8210
Fund Managers, Touche Remnant & Co.

Sel Sec A	26.1	27.5		—
Blue Chip	22.6	23.8	-0.1	—
Fixed Yield	19.6	20.7	-0.1	—
Guaranteed Way	15.9	16.8		—
Managed	20.7	21.8	+0.3	—
International	28.4	29.9	+0.7	—
Property	17.1	18.1	+0.4	—
Pacific	22.5	23.7	+1.0	—
Equity	16.3	17.2	-0.1	—
Special Sits	24.7	26.1	+0.8	—
Int Currency	14.0	14.8	-0.2	—
Index Linked Secs	10.9	11.5	-0.1	—
American	21.9	23.1	+0.9	—

Life Assur. Co. of Pennsylvania
8, New Rd, Chatham, Kent. Medway 812948

LACOP Units	14.30	15.02	—	—

Lloyds Life Assurance
20, Clifton St, EC2A 4NX. 01-920 0202

Multi Grwth Jan 6		£305.916	—	—
Multi Grwth 'R' Jan 6	276.2	290.8	—	—
Op 8 Prop Jan 10	262.2	276.0	—	—
Op 8 Equity Jan 18	367.0	386.4	+2.9	—
Op Hy Jan 17	265.6	279.6	—	—
Op 8 Man Jan 17	343.0	361.1	—	—
Op 8 Dep Jan 17	200.7	211.3	—	11.74
Op 8 Bond Jan 17	187.4	197.3	—	—
Op 8 Inc Dust Jan 17	143.7	151.3	—	2.049
Op 8 Int Man Jan 17	211.1	222.3	—	—
Op 8 US$ Jan 17	167.1	175.9	—	12.12

National Provident Institution
48, Gracechurch St, EC3P 3HH. 01-623 4200

Managed	198.7	209.2	+1.6	—
UK Equity	229.6	241.7	+2.4	—
Overseas Eq.	202.8	213.5	-0.7	—
American	202.7	213.4	-1.5	—
Far East	183.00	192.7	-0.7	—
Property	112.3	118.3		—
Fixed Int	159.1	167.5	+0.5	—
Indexed Gilt	104.2	109.7	+0.2	—
Deposit	113.9	119.9	—	—
Pension Fund Prices				
Man. Initial	199.9	210.5	+1.4	—
Man Acc.	222.5	234.3	+1.6	—
UK Eq. Initial	214.7	226.1	+3.2	—
UK Eq.	237.8	250.4	+3.5	—
Overseas Eq. Initial	223.4	235.2	-0.3	—
Overseas Eq.	257.2	270.8	—	—
American Initial	228.4	240.5	-0.5	—
American	252.0	265.3	-0.4	—
Far East Initial	235.1	247.5	—	—
Far East	259.9	273.6	—	—
Prop. Initial	108.2	113.9	—	—
Prop.	119.3	125.6	+0.1	—
Fixed Int. Initial	142.4	149.9	+0.6	—
Fixed Int.	156.4	164.7	+0.7	—
Indexed Gilt Initial	97.6	102.8	+0.1	—
Indexed Gilt	107.7	113.4	+0.1	—
Deposit Initial	132.6	139.6	+0.1	—
Deposit	124.6	131.2	—	—

NPI Pensions Management Ltd.

Managed Fund	536.4	590.2	—	—

Prices Jan 2. Next dealing February 1

New Zealand Insurance PLC
110/114, Baxter Avenue, Southend. (0702) 344535

[illegible]

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$11.55		+0.06	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St George's St, Douglas IoM. 0624 25015

Wren Com. Fund	12.7	13.2		3.10
Chinese Fund	58.8	61.2		1.70
Precious Metal Fund	71.4	74.3		0.30
Vanguard Cmdy. Fd.	21.5	22.1		0.00
Financial Futures Fd.	32.5	33.8		—

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Dynamic Grth Fd	$8.92		+0.09	—

Money Market Trust Funds

	Nom	Apr	Int Cr	Notice
The Money Market Trust 63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fnd	11.41	11.77	6-mth	Call
7-day Fnd	9.47	9.73	6-mth	7-day
Oppenheimer Money Management Ltd 66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fnd	11.52	11.85	6-mth	Call
7-day Fund	9.98	10.22	6-mth	7-day
Money Mngt. Acct.	11.25	11.73	3-mth	Call
Dollar	7.00	7.21	6-mth	2-day

Money Market Bank Accounts

	Nom	APR	Int Cr	Notice
Aitken Hume 30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc	11.25	11.46	Qtr	Call
Mth. Int. Chq.	11.00	11.57	Mthl	Call
Bank of Scotland 38 Threadneedle St, EC2P 2EH. 01-628 8060				
Cheque Acc	11.25	11.85	Mthl	Call
Barclays Prime Account PO Box 125, Northampton 0604 252891				
High Int. Cheque	11.00	11.46	Qtrl	Call
Britannia Grp of Investment Companies 29 Finsbury Circus, EC2M 5QL. 01-588 2777				
Cater Allen	11.25	11.85	Mthl	Call
Charterhouse Japhet plc 1 Paternoster Row, EC4M 7DH. 01-248 3999				
Sterling	11.25	11.849	Mthl	Call
U.S. Dollar	8.00	8.300	Mthl	Call
German Marks	5.0	5.116	Mthl	Call
Swiss Francs	2.0	2.018	Mthl	Call
Japanese Yen	5.0	5.116	Mthl	Call
Co-operative Bank 78-80 Cornhill EC3 01-626 6543 Ex 464				
Under £1,000	10.00	10.38	Qtrl	Call
Over £1,000	12.00	12.55	Qtrl	Call
Dartington & Co Ltd Dartington, Totnes, Devon TQ9 6JE. 0803 862271				
Money Mkt Acc	11.50	11.97	Qtrl	Call
Henderson/Bank of Scotland 38 Threadneedle St EC2P 2EH 01-628 8060				
Money Mkt. Cheque Acc.	11.25	11.85	Mthl	Call
Lombard North Central PLC 17 Bruton St, W1A 3DH. 01-409 3434				
Notice Dep	11.50	11.83	Rate	14-day
M & G/Kleinwort Benson 91-99 New London Rd, Chelmsford. 0245 51651				
High Int Cheque Acc	11.25	11.91	Daily	Call
Midland Bank plc PO Box 2, Sheffield. 0742 20999 Ext 8738				
High Int Chq	11.30	11.78	Qtrl	Call
Provincial Trust (formerly Cheetartons) 30 Ashley Rd, Altrincham, Cheshire, WA1 2DW 061-928 9011				
Cheque Acc	11.75	12.40	Mthl	Call
Save & Prosper/Robert Fleming 28 Western Rd, Romford RM1 3LB. 0708 66966				
High. Int. Bk. Acc.	10.79	11.40	Daily	Call
Premier Acc.	10.79	11.40	Daily	Call
Tyndall & Co 29-33 Princess Victoria St, Bristol BS8 4BX. 0272 732241				
Demand Acc	11.50	12.10	Qtrl	Call
Money Acc	10.00	10.38	Qtrl	Chq/7
J. Henry Schroder Wagg & Co Ltd Enterprise House, Portsmouth 0705 827733				
Special Acc	11.40	12.01	Mthl	Call
Over £10,000	11.65	12.29	Mthl	Call

NOTES:—Interest rates given both as a nominal rate and an annual percentage rate adjusted for frequency of interest credit.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. ◊ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ◊ Yield column shows annualised rates of NAV increase.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Interest Due	Stock	Price £	Last xd	Yield Int.	Yield Red.
22 Aug 22 Feb	Treas. 15pc 1985	100 [illegible]	16.1	14.97	12.51
22 Sep 22 Mar	Exch. 12pc Cnv. '85	99[illegible]	16.8	12.01	12.24
21 Nov 21 May	Treas 3pc 1985	97[illegible]	15.10	3.08	11.26
15 Jan 15 Jul	Treas 11½pc 1985	100[illegible]	10.12	11.49	11.26
3 Mar 3 Sep	Treas 8¼pcCnv '85	98[illegible]	30.7	8.89	11.37
22 May 22 Nov	Exch. 12¼pc 1985	100[illegible]	16.10	12.18	11.43
25 Aug 25 Feb	Exch. 11¾pc '86	100[illegible]	9.7	11.73	11.46
11 Oct 11 Apr	Treas. 10pcCnv 1986	98[illegible]	4.9	10.17	11.47
19 Nov 19 May	Treas 3pc 1986	93[illegible]	15.10	3.22	8.43
19 Nov 19 May	Exch. 10½pc Cv '86	99[illegible]	15.10	10.60	10.26
12 Dec 12 Jun	Treas 12pc 1986	100[illegible]	5.11	11.90	11.27
10 Jan 10 Jul	Treas 8¾pc 1984-86‡‡	96[illegible]	4.12	8.77	10.88
29 Apr 29 Oct	Exch. 14pc 1986	104[illegible]	24.9	13.45	11.31
21 May 21 Nov	Exch. 2½pc 1986	89[illegible]	15.10	2.81	9.06
22 Jul 22 Jan	Exch. 13¾pc 1987	103[illegible]xd	17.12	12.80	11.24
10 Aug 10 Feb	Treas. 10¼pcCv '87	98[illegible]xd	4.1	10.41	11.14
24 Aug 24 Feb	Exch 2½pc 1987	86[illegible]xd	18.1	2.89	9.73
6 Oct 6 Apr	Exch. 10½pc 1987	98[illegible]	3.9	10.67	11.32
1 Nov 1 May	Funding 6½pc '85-87‡‡	90[illegible]	25.9	7.15	11.10
12 Dec 12 Jun	Treas. 10pc 1987	97[illegible]	5.11	10.26	11.32
14 Jan 14 Jly	Treas 3pc 1987	85[illegible]	10.12	3.52	9.83
3 May 3 Nov	Treas. 12pc 1987	101[illegible]	27.9	11.84	11.38
26 Jul 26 Jan	Treas 7¾pc 1985-88‡‡	91[illegible]xd	20.12	8.43	10.87
10 Nov 10 May	Exch 10½pc '88	97[illegible]	4.10	10.78	11.44
14 Dec 14 Jun	Treas 9¾pc Cv '88	95[illegible]	7.11	10.22	11.39
1 Jan 1 Jul	Transport 3pc '78-88	81½	26.11	3.68	9.42
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COM'WEALTH & AFRICAN LNS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

AMERICANS—Cont.

[illegible]

CANADIANS

[illegible]

BANKS, HP & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BEERS, WINES—Cont.

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY & STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا اصل الأصل

INDUSTRIALS—Continued

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's	P/E
Oct.	Apr.	Magnolia Group	48	17.9	2.5	3.2	7.4	4.7
—		‡Mainmet Hldgs 10p	48	—	—	—	—	—
Apr.	Oct.	Man. Ship Can. £1	257	27.2	5.5	3.5	3.1	13.2
Oct	Apr	Marley	103	13.8	†3.2	2.5	4.4	11.6
Feb.	Oct.	Marling Ind. 20p	54	24.12	†d3.0	5.6	3.4	6.3
Dec	June	Marshall L'sy. 'A'	38	1.10	†1.2	3.6	4.5	(4.8)
Jan.	July	Marshall's Universal	64	12.11	H1.75	—	3.9	19.2
June	Dec	Do. 7½pcCnRedPf £1	83	10.12	7½%	—	12.9	—
Nov	May	Martin-Black	22½	27.79	—	—	—	—
—		‡Matheson 7¼%	285	30.4	Q7¼%	2.3	f9.2	—
Jan.	June	Metal Box £1	382	26.11	†15.0	3.2	5.6	6.2
Nov.	June	Metal Closures	148	17.9	6.9	2.3	6.1	(8.2)
—		‡Metal Sciences 2½p	13	—	—	—	—	—
July	Jan	‡Midland Marts	90	26.11	4.0	1.8	6.3	11.4
Jan	May	Mitchell Cotts	82	26.11	4.0	1.5	7.0	11.7
Jan.	July	Morgan Crucible	195	12.11	†7.5	1.2	5.5	(19.7)
May		‡Morris (W) F.A. 20p	24	—	bg0.5	4.0	3.0	22.8
Jan.	Aug.	Moss (Robt.) 10p	104	26.11	†12.5	2.3	3.4	15.0
May	Nov	‡MMW Computers	285	15.10	6.0	3.0	3.0	15.9
Mar.	Sept.	Nash Inds.	40xd	14.1	2.5	♦	8.9	♦
Oct.	April	‡Neil & Spencer 10p	47	3.81	—	—	—	20.2
Jan	July	Newman Industries	18	12.79	—	—	—	(10.1)
Jan July		Do. 10pc Cm.Cnv.Pf.	28	12.11	10%	—	7.1	—
April	Oct	Nelton	50	26.11	g1.1	4.5	3.1	8.4
Jan.	Aug.	Norcros	173	24.12	†7.5	2.4	6.2	9.1
Oct.	April	Nu-Swift 5p	64	29.10	†2.4	3.2	5.4	8.3
Feb.	Aug.	Oakwood Grp.	85	30.1	4.5	♦	8.0	♦
Jan.	June	Office & Elect	155	29.10	7.5	4.2	7.0	7.0
—		Oldacre 20p	105	—	p4.0	2.6	5.4	9.3
May	Nov	Oriflame Intl SA	450	1.10	†Q53c	2.2	6.8	6.7
Jan.	June	Owenstone 12½p	15	12.11	†Q4.5c	2.2	‡	3.5
May	Nov.	Ozalid 9pc Cnv 87-92	£148	15.10	Q9%	—	f5.4	—
—		‡PCT Grp 10p	110	29.10	q4.8	2.9	6.1	6.7
—		PLM 'B' Sk 25	112	—	Q20%	3.2	4.2	7.4

LEISURE—Continued

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr
Jan	April	LWT "A"	268	26.11	14.4	2.3
Jan	July	Leisuretime Int 10p	62	17.9	†1.8	1.5
		For M&E Facilities see Capital TV Facilities				
June	Jan.	Mogul. Ag. M. 10p	148xd	14.1	8.75	♦
—		‡Media Tech Int 20p	162	—	ug2.58	3.9
Apr.	Dec.	Medminster 10p	124	26.11	4.85	2.6
Oct	May	Miss World 10p	105	3.9	†3.0	3.5
—		‡Nationwide Leis.	24	30.4	0.25	2.8
—		‡Ninaio Int 20c	23	—	—	—
July		‡Owners Abroad	24	9.4	0.75	6.1
June	Nov	Photax (Lon.)	42	4.82	—	—
—		‡P'cdilly Radio NV 5p	23½	13.8	1.87	♦
December		‡Pineapple Dnc St 10p	75	24.12	d1.5	♦
Sept.	Apr.	Pleasurama 5p	388	17.9	Hg9.2	4.7
—		‡Pres Entertain 10p	17	—	bg0.02	2.0
Feb-July		‡Radio City 'A' NV	60	10.12	5.6	0.9
—		‡Radio Clyde NV	53	24.12	3.25	2.0
July	Jan	Riley Leisure 10p	51	29.10	†4.2	2.4
Apr.	Nov.	Saga Hols. 20p	164	3.9	†3.75	1.6
April		Samuelson Grp £1	755	1.10	b6.65	3.6
—		‡Sangers Photo 10p	28	29.10	b2.0	1.1
—		‡Scantro 50p	145	—	bg3.68	2.2
Dec	May	Scot. TV 'A' 10p	150	29.10	†8.1	2.9
		SeaCo Inc $0.125	356	31.1	—	—
—		‡SelecTV 10p	14	—	—	—
—		‡Spectrum 5p	130	—	g2.0	4.8
May	Nov	TSW 5p	32	29.10	1.5	2.6
March		TVS N/Vtg 10p	135	2.7	5.0	♦
—		‡Television Svcs 50p	210	17.9	11.5	4.2
—		Tottenham Hotspur	78	—	d2.3	1.6
Oct	Apr	Trid'nt TV 'A' 10p	241	18.6	♦7.5	♦
—		‡21st Century Dist	122	—	—	—
Dec		‡Tyne Tees TV 'A' £1	162	18.12	10.5	2.3
Jan	July	Ulster TV N/V 'A'	88	29.10	4.75	♦

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCES

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

MINES—Continued

Diamond and Platinum

Central African

Australians

Tins

Miscellaneous

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's
Sept	Feb	Hampton Areas 10p	165	24.12	3.75	2.1	3.1
—		‡Highwood Res.	165	—	—	—	—
May	Aug	Homestake Mining $1	£29¼	31.10	Q20c	—	0.9
—		‡McFinley Red Lake	190	—	—	—	—
—		‡Mosto Explorations	205	—	—	—	—
—		‡New Sabina Res C$1	38	—	—	—	—
October		Northgate C$1	275	9.77	—	—	—
Jan.	July	RTZ	638	29.10	†18.0	2.7	4.1
Jan	July	Do. 9½pcLn '95-2000	£136½	29.10	Q9½%	35.4	0.1
—		‡Tara Expls $1	£10½	—	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ▼ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ‡ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- 7 Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	88	......	Arnott	145	......
Craig & Rose £1	£11½	......	CPI Hldgs	54	......
Finlay Pkg. 5p	46	+2	Carrol Inds.	97	......
Higsons Brew	107	+4	Dublin Gas	65	......
Holt (Jos) 25p	850	......	Hall (R. & H.)	45	-1
IoM Stm. £1	125	-2	Helton Hldgs.	15	......
IRISH			Irish Ropes	32	......
Exch. 12% 1985	£99	......	Jacob (W.& R.)	62	......
Nat. 9¾% 84/89	£83¾	-¼	TMG	72	......
Fin. 13% 97/02	£89⅝	......	Unidare	78	......

OPTIONS — 3-month call rates

Industrials	p				
Allied-Lyons	25	Hanson Tst.	22	Vickers	18
BAT	38	Hawker Sidd	38	**Property**	
BOC Grp.	24	Hse of Fraser	28	Brit Land	14
BSR	15	ICI	50	Cap Counties	18
Babcock	13	'Imps'	14	Land Secs	24
Barclays Bank	42	Jaguar	18	MEPC	30
Beecham	30	Ladbroke	20	Peachey	24
Blue Circle	46	Legal & Gen	42	Samuel Props	14
Boots	18	Lex Service	32	Sterling Guar.	5½
Bowaters	16	Lloyds Bank	42		
Brit Aerospace	34	Lucas Inds.	24	**Oils**	
Brit. Telecom	7½	Marks & Spcr	10	Brit. Oil & Min	4½
Brown (J.)	3	Midland Bk	33	Brit Petroleum	38
Burton Ord	32	NEI	9	Burmah Oil	19
Cadburys	14	Nat West Bk	54	Charterhall	6
Comm Union	15	P & O Dfd	24	Premier	6
Courtaulds	11	Plessey	28	Shell	55
Debenhams	19	Polly Peck	25	Tricentrol	22
Distillers	24	Racal Elect	24	Ultramar	22
Dunlop	5	RHM	10		
FNFC	7	Rank Org Ord.	24	**Mines**	
Gen Accident	42	Reed Intnl	50	Charter Cons	22
Gen Electric	20	Sears	7	Cons. Gold	42
Glaxo	90	TI	18	Lonrho	14
Grand Met	26	Tesco	8	Rio T Zinc	60
GUS 'A'	55	Thorn EMI	42		
Guardian	58	Trust Houses	12		
GKN	16	Turner Newall	9		
		Unilever	80		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 14

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £800 per annum for each security.

CURRENCIES, MONEY and CAPITAL MARKETS

FINANCIAL FUTURES

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	91.09	91.12	91.05	90.98
June	90.42	90.45	90.37	90.30
Sept	89.86	89.90	89.83	89.76
Dec	89.41	89.42	89.35	89.31
March	89.04	89.00	89.00	88.94

Estimated volume 5,311 (3,897)
Previous day's open int 12,233 (12,122)

THREE-MONTH STERLING £250,000 points of 100%

	Close	High	Low	Prev
March*	88.70	88.75	88.60	88.59
June*	89.00	89.01	88.94	88.86
Sept*	88.99	89.00	88.84	[illegible]
Dec*	88.94	88.94	88.86	88.82
March*	88.92	—	—	88.79

Estimated volume 1,113 (1,924)
Previous day's open int 6,204 (5,868)
*£500,000 points of 100%

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
March	104-27	104-31	104-17	104-09
June	104-18	104-21	104-12	104-02
Sept	107-29	—	—	107-13
Dec	107-19	—	—	107-03
March	107-09	—	—	106-25

Estimated volume 4,095 (4,408)
Previous day's open int 6,017 (5,363)
Basis quote (clean cash price of 13¾% Treasury 2003 less equivalent price of near futures contract) —2 to 8 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.1156	1.1190	1.1156	1.1145
June	1.1096	—	—	1.1085
Sept	1.1066	—	—	1.1055

Estimated volume 21 (43)
Previous day's open int 3,665 (3,680)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
March	0.3156	0.3172	0.3156	0.3155

Estimated volume 11 (14)
Previous day's open int 202 (205)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
March	0.3748	0.3762	0.3748	0.3751

Estimated volume 2 (nil)
Previous day's open int 113 (113)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.3942	0.3948	0.3942	0.3940

Estimated volume 6 (2)
Previous day's open int 115 (117)

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
March	127.75	127.75	125.85	126.00
June	128.05	—	—	126.30
Sept	128.40	128.40	127.55	126.80

Estimated volume 292 (489)
Previous day's open int 981 (931)

U.S. TREASURY BONDS 8% $100,000 32nds of 100%

	Close	High	Low	Prev
March	71-10	71-17	71-08	71-03
June	70-14	—	—	70-09

Estimated volume 1,543 (759)
Previous day's open int 1,698 (1,669)

CHICAGO

U.S. TREASURY BONDS (CBT) 8pc $100,000 32nd of 100pc

	Close	High	Low	Prev
March	71.13	71.18	71.07	70.27
June	70.17	70.21	70.12	69.31
Sept	69.25	69.28	69.18	69.07
Dec	69.04	69.07	69.00	68.18
March	68.17	68.19	68.14	68.00
June	68.01	68.03	67.30	67.16
Sept	67.19	67.21	67.15	67.03
Dec	67.06	67.07	67.03	66.23
March	66.27	66.29	66.24	66.12
June	66.17	66.23	66.14	66.02

U.S. TREASURY BILLS (IMM) $1m points of 100 per cent

	Close	High	Low	Prev
March	92.04	92.06	91.98	91.92
June	91.54	91.56	91.48	91.40
Sept	91.03	91.05	91.00	90.91
Dec	90.62	90.64	90.59	90.50
March	90.29	90.30	90.27	90.18
June	90.00	90.00	89.99	89.91
Sept	89.73	89.73	—	89.66
Dec	89.48	89.48	—	89.44

CERT. DEPOSIT (IMM) $1m points of 100 per cent

	Close	High	Low	Prev
March	91.46	91.46	91.38	91.29
June	90.80	90.82	90.73	90.61
Sept	90.23	90.21	90.16	90.06
Dec	89.77	89.74	89.70	89.62

THREE MONTH EURODOLLAR (IMM) $1m points of 100 per cent

	Close	High	Low	Prev
March	91.13	91.14	91.05	90.95
June	90.45	90.46	90.39	90.27
Sept	89.87	89.88	89.83	89.71
Dec	89.40	89.41	89.36	89.25
March	89.01	89.02	88.98	88.87
June	88.68	88.69	88.67	88.54
Sept	88.37	88.39	88.37	88.24

STERLING (IMM) Ss per £

	Close	High	Low	Prev
March	1.1210	1.1220	1.1115	1.1150
June	1.1145	1.1170	1.1055	1.1090
Sept	1.1120	1.1135	1.1050	1.1065
Dec	1.1110	1.1120	1.1030	1.1050

GNMA (CBT) 8 per cent $100,000 32nds of 100 per cent

	Close	High	Low	Prev
March	69.15	69.17	69.12	69.06
June	68.22	68.24	68.18	68.13
Sept	68.02	—	—	67.25
Dec	67.16	67.16	67.14	67.07
March	—	—	—	—
June	66.17	—	—	66.08
Sept	66.05	—	—	65.28

WEEKLY CHANGE IN WORLD INTEREST RATES

	Jan. 18	change
LONDON		
Base rates	12	+1 1/2
7 day interbank	12 1/4	+2 1/16
3mth interbank	11 11/16	+1 1/16
Treasury Bill Tender	11.4022%	+1.3005
Band 1 Bills	11 7/8	+2 3/8
Band 2 Bills	11 3/4	+1 3/8
Band 3 Bills	11 5/8	+1 3/8
3 Mth. Treasury Bills	11 13/32	+1 13/32
1 Mth. Bank Bills	11 7/8	+1 9/16
3 Mth. Bank Bills	11 1/2	+1 3/8
TOKYO		
One month Bills	6.21875	Unch'd
Three month Bills	6.28125	Unch'd
BRUSSELS		
One month	10 3/4	Unch'd
Three month	10 3/4	Unch'd
AMSTERDAM		
One month	5 7/8	+1/8
Three month	5 15/16	+3/16

	Jan. 18	change
NEW YORK		
Prime rates	10 1/2	—1/4
Federal funds	8 1/16	Unch'd
3 Mth. Treasury Bills	7.73	—0.01
6 Mth. Treasury Bills	7.93	—0.08
3 Mth. C D	8.10	—0.10
FRANKFURT		
Lombard	5.50	Unch'd
One Mth. Interbank	5.775	—0.05
Three month	5.885	—0.10
PARIS		
Intervention Rate	10 1/2	—1/2
One Mth. Interbank	10 1/2	Unch'd
Three month	10 5/8	—1/16
MILAN		
One month	15 1/2	+3/4
Three month	15 7/16	+1/8
DUBLIN		
One month	14 3/4	—1/8
Three month	14 5/8	—1/4

London—band 1 bills mature in up to 14 days, band 2 bills 15 to 33 days, and band 3 bills 34 to 63 days. Rates quoted represent Bank of England buying or selling rates with the money market. In other centres rates are generally deposit rates in the domestic money market and their respective changes during the week. Band 4 bills 11 1/2.

FOREIGN EXCHANGES

Dollar's virtuoso performance

BY COLIN MILLHAM

Sterling was able to limp off from the centre stage by the middle of last week after another hostile reaction to its performance.

That popular virtuoso, the dollar, returned to the spotlight and despite less than rapturous applause from the audience of foreign exchange dealers and some heckling from a group of five outsiders, turned in another creditable act with rather difficult material.

Major banks cut their prime rates by ¼ per cent to 10½ per cent and intervention by the Federal Reserve in the New York banking system was consistent with a Federal funds rate of around 8 per cent.

Interest rates were therefore not providing any strong underlying support for the dollar, and the economic figures released last week did nothing to encourage expectations of higher rates.

The data suggested that growth may be picking up again rather more slowly than anticipated.

A rise of 0.6p in December industrial production was towards the lower end of expectations, and a fall of 0.1 per cent in retail sales contrasted sharply with a looked for rise of at least 1 per cent. Statistics on business inventories and industrial capacity utilisation also disappointed, while the rise of $2.1bn in weekly U.S. M1 money supply was less than anticipated.

There was nothing in any of these figures to stimulate demand for the dollar, but if it had not been for a warning from the finance ministers of the Group of Five leading industrial nations meeting in Washington, about possible concerted action to control the markets apparently insatiable demand for the U.S. currency, it may well have been testing record highs again by the end of the week.

The highest point touched was on Monday, when the dollar rose to a 12-year high against the D-mark.

STERLING EXCHANGE RATE INDEX (Bank of England)

	Jan 18	Previous
8.30 am	71.3	71.4
9.00 am	71.3	71.4
10.00 am	71.2	71.4
11.00 am	71.3	71.3
Noon	71.2	71.3
1.00 pm	71.3	71.3
2.00 pm	71.3	71.3
3.00 pm	71.3	71.2
4.00 pm	71.3	71.2

£ in New York

	January 18	Prev. close
£ Spot	$1.1280-1290	$1.1210-1217
1 month	0.39-0.37pm	0.40-0.38 pm
3 months	0.98-0.92pm	0.99-0.09 pm
12 months	1.79-1.68pm	1.80-1.75 pm

Forward premiums and discounts apply to the U.S. dollar.

POUND SPOT—FORWARD AGAINST POUND

Jan 18	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.1195-1.1275	1.1205-1.1215	0.39-0.35c pm	3.96	0.97-0.92 pm	3.37
Canada	1.4870-1.4920	1.4875-1.4895	0.33-0.24c pm	2.30	0.87-0.74 pm	2.16
Nethlnd.	4.01 1/4-4.03 1/4	4.02 1/4-4.03 1/4	2 1/4-2c pm	6.33	5 7/8-5 5/8 pm	5.71
Belgium	71.20-71.50	71.40-71.50	11-5c pm	1.34	27-18 pm	1.26
Denmark	12.71 1/4-12.75 1/2	12.73-12.74	1/4ore pm-1/4 dis	−0.24	1-2 1/2 dis	−0.49
Ireland	1.1442-1.1481	1.1470-1.1480	0.17-0.30p dis	−2.46	0.53-0.77dis	−2.27
W. Ger.	3.55 1/4-3.57 1/4	3.56 1/4-3.57 1/4	2-1 7/8pf pm	6.52	5 1/4-5 pm	5.75
Portugal	192.90-195.04	192.95-194.25	215-505c dis	−22.31	625-1475ds	−21.69
Spain	196.13-197.45	196.15-197.45	15-30c dis	−1.37	60-85 dis	−1.47
Italy	2183 1/4-2192 1/4	2187 1/2-2188 1/2	4-7lire dis	−3.02	12-16 dis	−2.56
Norway	10.29 1/4-10.31	10.29 3/4-10.30 1/4	1/4-1 1/4ore dis	−1.16	2 1/4-3 1/4 dis	−1.24
France	10.88-10.93 1/2	10.89 1/2-10.90 1/2	1 1/4-1c pm	1.51	2 7/8-1 7/8 pm	0.87
Sweden	10.21 1/2-10.25	10.22 1/2-10.23 1/2	1/4ore pm-1/4 dis	−0.22	par-1/4 dis	−0.15
Japan	284 1/2-286	284 1/2-285 1/2	1.50-1.39y pm	6.08	3.86-3.73 pm	5.33
Austria	24.96-25.06	24.99-25.04	11 1/2-10 1/4gro pm	5.22	29 1/4-26 1/4 pm	4.46
Switz.	2.99 1/4-3.00 1/2	2.99 1/4-3.00 1/4	1 3/4-1 5/8c pm	6.76	4 1/2-4 1/4 pm	6.17

Belgian rate is for convertible francs. Financial franc 71.45-71.55. Six-month forward dollar 1.44-1.39c pm. 12-month 1.80-1.65c pm.

OTHER CURRENCIES

Jan. 18	£	$		£ Note Rates
Argentina Peso..	227.82-228.26	202.60-202.80	Austria	24.90-25.20
Australia Dollar..	1.3750-1.3770	1.2265-1.2275	Belgium	71.15-72.00
Brazil Cruzeiro..	3,795-3,808	3,376-3,393	Denmark	12.68-12.78
Finland Markka..	7.4545-7.4950	6.6560-6.6570	France	10.86-11.04
Greek Drachma..	144.06-146.96	128.18-130.70	Germany	3.55-3.58
HongKong Dollar	8.7300-8.7415	7.7950-7.7980	Italy	2180-2235
Iran Rial	105.70*	94.68*	Japan	285-289
KuwaitDinar(KD)	0.34300-0.34345	0.30600-0.30610	Netherlands	4.01-4.05
Luxembourg Fr.	71.40-71.50	63.55-63.65	Norway	10.38-10.38
Malaysia Dollar..	2.7900-2.7940	2.4910-2.4925	Portugal	192-207
New Zealand Dlr.	2.3815-2.3865	2.1345-2.1265	Spain	194-202
Saudi Arab Riyal	4.0145-4.0195	3.5815-3.5825	Sweden	10.17-10.27
Singapore Dollar	2.4600-2.4640	2.1965-2.1980	Switzerland	2.99-3.02
Sth African Rand	2.5810-2.6015	2.3095-2.3255	United States	1.11-1.13
U.A.E. Dirham..	4.1160-4.1215	3.6720-3.6730	Yugoslavia	275-300

* Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu January 18	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	44.6138	−0.86	+0.05	±1.5428
Danish Krone ...	8.14104	7.94709	−2.38	−1.47	±1.6421
German D-Mark	2.24184	2.22246	−0.86	+0.05	±1.1463
French Franc ...	6.87456	6.81084	−0.93	−0.02	±1.3659
Dutch Guilder ...	2.52595	2.51115	−0.59	+0.32	±1.5185
Irish Punt ...	0.72569	0.715180	−1.45	−0.54	±1.6671
Italian Lira ...	1403.49	1365.11	−2.73	−2.47	±4.0511

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

FORWARD RATES AGAINST STERLING

	Spot	1 month	3 month	6 month	12 month
Dollar	1.1210	1.1173	1.1116	1.1089	1.1098
D-Mark	3.5675	3.5481	3.5157	3.4749	3.3984
French Franc	10.90	10.8864	10.8704	10.8874	10.8856
Swiss Franc	2.9975	2.9807	2.9606	2.9107	2.8372
Japanese Yen	285.0	283.59	281.17	278.03	272.12

BANK OF ENGLAND TREASURY BILL TENDER

	Jan. 18	Jan. 11		Jan. 18	Jan. 11
Bills on offer	£100m	£100m	Top Accepted rate of discount	11.4515%	10.1077%
Total of applications	£425m	£255.65m	Average rate of discount	11.4022%	10.1017%
Total allocated	£100m	£100m	Average yield	11.74%	10.36%
Minimum accepted bid	£97.15	£97.48	Amount on offer at next tender	£100m	£100m
Allotment at minimum level	85%	90%			

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Jan 18	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.1195-1.1275	1.1205-1.1215	0.39-0.35c pm	3.96	0.97-0.92 pm	3.37
Ireland†	0.9770-0.9810	0.9770-0.9780	0.55-0.50c pm	6.44	1.42-1.32 pm	5.60
Canada	1.3252-1.3275	1.3270-1.3275	0.17-0.20c dis	−1.67	0.38-0.43dis	−1.22
Nethlnd.	3.5690-3.5490	3.5805-3.5815	0.69-0.66c pm	2.26	2.11-2.06 pm	2.34
Belgium	63.55-63.95	63.55-63.65	9-10c dis	−1.79	21-23 dis	−1.38
Denmark	11.29 1/4-11.37 1/4	11.36 1/4-11.36 3/4	2 1/4-3 1/4ore dis	−3.17	8-8 1/2 dis	−2.91
W. Ger.	3.1590-3.1815	3.1805-3.1815	0.70-0.65pf pm	2.55	1.97-1.92 pm	2.45
Portugal	172-173 1/4	172 1/2-173 1/4	250-500c dis	−26.01	300-1450ds	−24.95
Spain	175.00-175.78	175.45-175.60	73-81c dis	−5.26	200-215 dis	−4.73
Italy	1943-1953	1951 1/2-1952 1/2	11-11 1/2lire dis	−6.93	30-30 1/2 dis	−6.23
Norway	9.16 1/2-9.21	9.20 1/2-9.20 1/2	3 1/2-4ore dis	−4.89	10-10 1/2 dis	−4.46
France	9.68-9.75	9.74 1/2-9.75	1.95-2.05c dis	−2.47	6.10-6.50dis	−2.61
Sweden	9.11 1/2-9.13 1/4	9.12 1/2-9.13 1/4	2.10-2.60ore dis	−3.09	6 1/2-7 1/4 dis	−3.07
Japan	253.65-254.55	254.45-254.55	0.46-0.39y pm	1.98	1.34-1.24 pm	2.03
Austria	22.19-22.35	22.30-22.35	2.60-2.00gro pm	1.24	8-6 pm	1.25
Switz.	2.6635-2.6825	2.6815-2.6825	0.62-0.58c pm	2.68	1.96-1.90 pm	2.88

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 63.75-63.85.

CURRENCY MOVEMENTS

Jan. 18	Bank of England Index	Morgan Guaranty Changes%
Sterling	71.3	−19.2
U.S. dollar	146.5	+32.4
Canadian dollar	90.8	−3.2
Austrian schilling	110.3	+3.8
Belgian franc	88.7	−10.2
Danish Kroner	76.5	−4.7
Deutsche mark	120.2	+6.1
Swiss franc	136.0	+7.2
Guilder	110.0	+3.0
French franc	63.5	−16.3
Lira	46.7	−15.5
Yen	154.4	+10.6

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

CURRENCY RATES

Jan. 18	Bank rate %	Special Drawing Rights	Europ'n Currency Unit
Sterling	—	0.868867	0.623868
U.S. $	8	0.974618	0.698876
Canadian $	9.74	*	0.928805
Austria Sch	4 1/2	21.7116	15.6142
Belgian Fr.	11	61.9686	44.6138
Danish Kr.	7	11.0466	7.94709
Dmark	4 1/2	3.09061	2.22246
Guilder	5	3.49234	2.51115
French Fr.	9 1/2	9.47616	6.81084
Lira	15 1/2	†	1365.11
Yen	5	247.663	177.978
Norway Kr.	8	N/A	6.43636
Span'h Pta	1/2	170.987	122.696
Swedish K.	9	N/A	6.38181
Swiss Fr.	4	2.60485	1.86666
Greek Dr'ch	20 1/2	N/A	90.5649
Irish Punt	13 3/4	N/A	0.715180

* C$/SDR rate for January 17: 1.29219.

EXCHANGE CROSS RATES

Jan. 17	Pound St'rling	U.S. Dollar	Deutsche m'k	J'panese Yen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.121	3.568	285.0	10.90	2.998	4.028	2188.	1.489	71.45
U.S. Dollar	0.892	1.	3.181	254.5	9.748	2.682	3.581	1952.	1.328	63.60
Deutschem'rk	0.280	0.314	1.	79.89	3.055	0.840	1.129	613.5	0.417	20.03
Japanese Yen 1,000	3.509	3.933	12.52	1000.	38.25	10.52	14.13	7677.	5.225	250.7
French Franc 10	0.917	1.028	3.273	261.5	10.	2.750	3.695	2007.	1.366	65.55
Swiss Franc	0.334	0.374	1.190	95.08	3.636	1.	1.344	729.9	0.497	23.84
Dutch Guilder	0.248	0.278	0.886	70.76	2.706	0.744	1.	543.3	0.370	17.74
Italian Lira 1,000	0.457	0.512	1.630	130.3	4.982	1.370	1.841	1000.	0.680	32.65
Canadian Dollar	0.672	0.753	2.397	191.5	7.325	2.014	2.706	1470.	1.	48.00
Belgian Franc 100	1.400	1.569	4.993	398.9	15.26	4.195	5.637	3062.	2.083	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Jan. 18	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	12 1/8-12 3/8	8 1/8-8 1/4	9 3/8-9 5/8	5 3/4-5 7/8	2 1/4-2 3/4	5 1/16-5 3/16	10 1/4-10 3/8	13 1/2-14 1/2	10 1/2-11	10 3/4-11	6 1/8-6 1/4	11 1/2-12
7 days' notice	12 1/8-12 1/4	8 1/16-8 3/16	9 3/8-9 5/8	5 3/4-5 7/8	2 1/4-2 1/2	5 5/16-5 7/16	10 1/4-10 3/8	14 1/2-15 1/2	10 1/2-11	10 5/8-10 7/8	6 1/8-6 1/4	11 3/4-12 1/4
Month	12 7/16-12 9/16	8 1/16-8 3/16	9 1/16-9 3/16	5 7/8-6	5 3/8-5 1/2	5 1/4-5 3/8	10 1/2-10 5/8	14 1/2-15	10 1/2-11	10 5/8-10 7/8	6 1/4-6 3/8	12-12 1/2
Three months	11 15/16-12	8 1/4-8 3/8	9 1/16-9 3/16	5 7/8-6	5 7/16-5 9/16	5 7/16-5 9/16	10 1/2-10 3/4	14 3/8-14 7/8	10 1/2-11	10 5/8-10 7/8	6 3/8-6 1/2	11 3/4-12 1/4
Six months	12 5/8-12 11/16	8 7/16-8 9/16	9 5/8-9 7/8	5 15/16-6 1/16	5 3/8-5 1/2	5 7/8-6	11 1/4-11 1/2	14 1/4-14 3/4	10 1/2-11	10 5/8-10 7/8	6 3/8-6 1/2	11 1/2-12
One year	12 9/16-12 11/16	9 1/8-9 3/8	10-10 1/4	6 1/2-6 5/8	5 3/8-5 1/2	5 15/16-6 1/16	11 1/2-11 5/8	14 1/4-15 1/4	10 3/4-11 1/4	10 5/8-10 7/8	6 1/4-6 3/8	11 1/2-12

Asian $ (closing rates in Singapore): Short-term 8 1/8-8 1/4 per cent: seven days 8 3/16-8 5/16 per cent: one month 8 1/8-8 1/4 per cent: three months 8 5/16-8 7/16 per cent: six months 8 3/4-8 7/8 per cent: one year 9 9/16-9 11/16 per cent. Long-term Eurodollars: two years 10 1/4-10 3/8 per cent: three years 11-11 1/8 per cent: four years 11 1/4-11 1/2 per cent: five years 11 5/8-11 7/8 per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen: others two days' notice.

MONEY MARKETS

London recovers some composure

The London money market had recovered some of its composure by Friday, after a very shaky start to the week. The Bank of England caused some surprise by reactivating Minimum Lending Rate, and then caused even more surprise by introducing it for only one day.

It was partly a psychological move, intended to show the foreign exchanges that the authorities were not happy to see sterling slide quickly down to parity with the dollar, and also weaken sharply against the D-mark, taking the exchange rate index to a record low. But it was also an illustration of how difficult it is to push the rates sharply when necessary by the normal market related method, which is controlled by the price at which discount houses offer to sell bills to the Bank of England.

MLR was set at 12 per cent early on Monday, and the clearing banks immediately followed this lead by increasing their base rates by 1½ per cent to 12 per cent.

If it was hoped this would stimulate a fast reaction from the exchanges the authorities and the money market were disappointed however. After initially recovering from the low in the Far East of $1.1020, to a peak of $1.1320 on the news, the pound fell away against to finish weaker on the day at little more than $1.11. There were several reasons. The Federal Reserve did not add rserves in New York when the Federal funds rate moved up slightly, and the German Bundesbank failed to attack the dollar, when it was felt in the market that the sharp rise in London interest rates might have provided an opportunity. Both factors boosted demand for the dollar, while at the same time sterling was suffering from Norway's decision to allow the spot market to determine the price at which it sells oil.

As the pound slumped, money market rates continued to rise, with three-month interbank touching 12⅝-12¾ per cent Tuesday morning, before a general move down in U.S. bank prime lending rates and some disappointing U.S. economic data relieved the pressure. Three-month interbank finished the week at 11 15/16-12 1/16 per cent, and earlier talk of yet higher base rates was perhaps not forgotten, but at least put to the back of the mind, until it becomes clearer whether sterling will gain any permanent respite from the warning by the Group of Five about disorderly foreign exchange trading and the boost to oil demand from the cold weather in Europe.

UK clearing banks' base lending rate 12 per cent since January 14

MONEY RATES

Jan. 18	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.35-5.45	10 1/16	2 7/8-3 1/8	5 3/4-5 15/16	6.09375	15 5/8-16	8.70	14 5/8-14 7/8
One month	5.70-5.85	10 1/16-10 3/16	5 1/16-5 3/16	5 13/16-5 15/16	6.21875	15 5/8-16	10 5/8-10 7/8	14 5/8-14 7/8
Two months	5.65-5.80	10 1/16-10 3/16	—	—	—	—	—	14 5/8-14 7/8
Three months	5.75-5.90	10 3/8-10 1/2	5 3/8-5 1/2	5 7/8-6	6.28125	15 3/4-16 1/4	10 5/8-10 7/8	14 1/2-14 3/4
Six months	5.80-5.95	10 7/16-10 9/16	—	5 15/16-6 1/16	—	—	10 5/8-10 7/8	14 5/8-14 7/8
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	10 1/2	—	5 3/4	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Jan. 18 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	9-12 3/4	12-12 1/4	12 1/4-12 1/2	9-12 1/4	—	—	—	—	—
2 days notice	—	—	11 7/8-12	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12 1/8-12 3/8	11 7/8-12	12 3/8-12 1/2	11 7/8-12	—	—	—	—	—
One month	12 1/4-12 1/8	12 1/8-12 3/8	12 1/8	12 3/8	11 7/8	11 13/16	11 3/4	11 7/8	11 3/4	12 5/16
Two months	12 1/8-12	12-12 1/4	12	12 1/4	11 1/2	11 3/4	11 5/8	11 3/4	11 5/8	12 1/4
Three months	11 13/16-11 11/16	11 7/8-12 1/16	11 7/8	12 1/8	11 1/4	11 11/16	11 9/16	11 11/16	11 9/16	12 1/8
Six months	11 7/16-11 5/16	11 1/2-11 11/16	11 5/8	—	—	—	—	11 5/16	11 3/16	12
Nine months	11 5/8-11 1/4	11 7/16-11 5/8	—	—	—	—	—	10 15/16	10 15/16	11 1/2
One year	11 3/8-11 1/4	11 7/16-11 5/8	11 5/8	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	12 5/8-12 3/8	—	12 1/4	8.0-8.1	7 13/16-8 1/16	9 1/2-9 11/16
Two months	12 1/2-12 1/4	—	12 1/8	8.1-8.2	8-8 1/4	9 1/2-9 11/16
Three months	12 1/2-12 1/8	—	11 13/16	8.15-8.25	8 3/16-8 7/16	9 1/2-9 11/16
Six months	12-11 5/8	—	11 1/2	8.45-8.55	8 7/16-8 11/16	9 1/2-9 11/16
Nine months	12 1/8-11 3/4	—	11 7/16	8.8-9.0	—	—
One year	12 1/8-11 3/4	—	11 7/16	9.3-9.5	8 13/16-9 1/16	9 1/2-9 11/16
Two years	—	11 1/2	—	—	—	—
Three years	—	11 1/2	—	—	—	—
Four years	—	11 5/8	—	—	—	—
Five years	—	11 5/8	—	—	—	—

ECGD Fixed Rate Export Finance IV: Average Rate of interest period December 5 1984 to January 1 1985 (inclusive): 9.913 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 10 per cent from January 1 1985. London and Scottish Clearing Bank Rates for lending 12 per cent. London Deposit Rates for sums at seven days' notice 9 per cent. Treasury Bills: Average tender rates of discount 11.4022 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 11¾ per cent: one-three months 12 per cent: three-six months 11¾ per cent: six-nine months 11¼ per cent: nine-12 months 11½ per cent. Under £100,000 11 per cent from January 15. Deposits held under Series 5 10 per cent. The rate for all deposits withdrawn for cash 8 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. January 18)
3 months U.S. dollars

bid 8 1/4	offer 8 3/8

6 months U.S. dollars

bid 8 11/16	offer 8 13/16

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (4 pm)

Prime rate	10 1/2
Broker loan rate	9-10 1/4
Fed funds	8 1/4
Fed. funds at intervention	—

Treasury Bills

One month	7.45
Two month	7.60
Three month	—
Six month	7.93
One year	8.29

Treasury Bonds

Two year	[illegible]
Three year	[illegible]
Four year	[illegible]
Five year	[illegible]
Seven year	[illegible]
10 year	[illegible]
30 year	[illegible]